

EXTRA SESSION  
CHAPTER 57—H. F. No. 71

[Coded in Part]

*An act relating to the state employees retirement association; amending Minnesota Statutes 1965, Sections 352.01, Subdivisions 2A, 2B, 4, 5, 11, and 16, and by adding new subdivisions; 352.021; 352.028; 352.03; 352.04; 352.041; 352.05; 352.113; 352.115; 352.116; 352.12; 352.16; 352.22; 352.23; 352.27; 352.28, Subdivisions 1, 2, and 8; 352.38, Subdivision 3; 352.715; 352.72; and amending Laws 1967, Chapter 404, Section 7; and repealing Minnesota Statutes 1965, Sections 352.01, Subdivision 6 and 352.28, Subdivision 3.*

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

Section 1. Minnesota Statutes 1965, Section 352.01, Subdivision 2A, is amended to read:

Subd. 2A. **State retirement system; included employees.** The following persons are included in the meaning of state employee:

- (1) Employees of the Minnesota Historical Society.
- (2) Employees of the State Horticultural Society.
- (3) Employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed prior to July 1, 1963.
- (4) Employees of the Minnesota Crop Improvement Association.
- (5) Employees of the adjutant general who are paid from federal funds and who are not ~~eligible to benefits from covered by any federal civilian employees retirement fund system.~~
- (6) Employees of the state colleges employed under the college activities program.
- (7) Currently contributing ~~members of the association employees covered by the system~~ who are temporarily employed by the legislature during a legislative session or any currently contributing ~~member employee~~ employed for any special service as defined in item (8) of subdivision 2B of this section.
- (8) Employees of the armory building commission.
- (9) Permanent employees of the legislature and persons em-

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ployed 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.

(10) 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.

(11) Employees of the Minnesota Safety Council.

Sec. 2. Minnesota Statutes 1965, Section 352.01, Subdivision 2B, is amended to read:

Subd. 2B. **Excluded employees.** The following persons are excluded from the meaning of state employee:

- (1) Elective state officers;
- (2) Students employed by the University of Minnesota, the state colleges, and state junior colleges unless approved for ~~membership coverage~~ by the board of regents, ~~or~~ the state college board or the state junior college board, as the case may be;
- (3) Employees who are eligible to membership in the state teachers retirement ~~fund association~~ except employees of the department of education who have elected or may elect to ~~become members of the state employees retirement association~~ *be covered by the Minnesota state retirement system* instead of the teachers retirement ~~fund association~~;
- (4) Employees of the University of Minnesota who are excluded from ~~membership coverage~~ by action of the board of regents;
- (5) Officers and enlisted men in the national guard and the naval militia ~~except and~~ such as are assigned to permanent peacetime duty *who pursuant to federal law are or are required to be members of a federal retirement system*;
- (6) Election officers;
- (7) 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;
- (8) 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;

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(9) 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;

(10) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota Soldiers Home;

(11) Persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) Employees of the Sibley House Association;

(13) Employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) Operators and drivers employed pursuant to Laws 1941, Chapter 478;

(15) Members of the tax court, 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; the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;

(16) State highway patrolmen;

(17) Temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; also persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) Emergency employees in the classified service ~~whose status shall be noted by symbol on all payroll abstracts except that~~ emergency employees who without interruption of service become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the date of their emergency appointment: *If the employee has multiple emergency appointments and he is separated from service by not more than ten days in each instance, he shall be deemed a state employee retroactively to the date of his first emergency appointment;*

(19) State police officers as defined in section 352A.01;

(20) All temporary employees in the classified service, and

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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;

(21) Trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2A (10) of this section;

(22) Persons whose compensation is paid on a fee basis;

(23) 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;

(24) Employees of the adjutant general employed on an unlimited intermittent basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) Chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) Labor service employees who ~~do not have tenure under section 43.09; subdivision 7~~ *are entitled to receive a pay differential because they are not entitled to annual or sick leave, or pay for holidays, or insurance coverage;*

(27) Examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) Members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4; ~~and~~

(29) Persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179.;

(30) *Temporary employees employed for limited periods of time under any state or federal program for the purpose of training or rehabilitation including needy persons employed thereunder for limited periods of time from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system; and*

(31) *Full time students employed by the Minnesota Historical Society who are employed intermittently during part of the year and full time during the summer months.*

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Sec. 3. Minnesota Statutes 1965, Section 352.01, Subdivision 4, is amended to read:

Subd. 4. **Accumulated contributions.** "Accumulated contributions" means the total, exclusive of interest, of (a) the sums deducted from the salary of a ~~member~~ *an employee*, (b) the amount of payments, including assessments, paid by him in lieu of such salary deductions ~~paid and all other payments made~~ under Laws 1929, Chapter 191, or any amendment thereof, and credited to his individual account in the retirement fund.

Sec. 4. Minnesota Statutes 1965, Section 352.01, Subdivision 5, is amended to read:

Subd. 5. **Retirement fund.** "The retirement fund" includes the aggregate of all "accumulated contributions" of ~~members of the retirement association~~ *employees*, and all other moneys paid into the state treasury or received by the ~~board of trustees~~ *director* 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.

Sec. 5. Minnesota Statutes 1965, Section 352.01, Subdivision 11, is amended to read:

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

(1) Any service rendered by a ~~state~~ *an employee* for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the ~~association system~~ 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

(2) Any service rendered by a ~~state~~ *an employee* for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or

(3) Any service rendered by a ~~state~~ *an employee* after July 1, 1957, for any pay period when the ~~member~~ *he* receives salary from which deductions are made, deposited and credited in the fund, *including deductions made, deposited and credited as provided in section 352.041, or*

(4) Any service rendered by a ~~person~~ *an employee* after July 1, 1957 for any pay period ~~where~~ *for which* payments in lieu

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of salary deductions are made, deposited and credited ~~into~~ *in* the fund, as provided in ~~sections 352.23, section 352.27; and Minnesota Statutes 1957, Section 352.021, Subdivision 4.~~

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any pay period is deemed the compensation for the entire pay period ~~unless state service has terminated~~), or

(5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the workmen's compensation law until the date authorized by the ~~board of trustees~~ *director* for the commencement of payments of a total and permanent disability benefit from the retirement fund, or

(6) The unused portion of ~~a member's~~ *an employee's* annual leave allowance for which he is paid salary on regular pay-period abstracts until his accumulated leave is exhausted; but, if payment of annual leave allowance is made as provided in section 351.12, the last day of the pay period in which is his last working day is ~~deemed the date credit for state service terminates and credit for such service ceases on that date~~, or

(7) Any ~~member~~ *employee* who made payment in installments in order to obtain additional service credit but failed 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 made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or

(8) Former ~~members~~ *state employees* who hold numbered certificates of deferred annuity who again become ~~members of the retirement association~~ *state employees* shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates; , or

(9) *Any service covered by refundment repaid as provided in section 352.23, or*

(10) *No person who as an employee of the adjutant general is a member of any federal retirement system shall be entitled to any allowable service credit under this chapter.*

Sec. 6. Minnesota Statutes 1965, Section 352.01, Subdivision 16, is amended to read:

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Subd. 16. **Year of allowable service.** “Year of allowable service” means any 12 calendar months not necessarily consecutive in which a ~~member~~ *an employee* is entitled to allowable service credit for all pay periods in such 12 calendar months. It also means 12 months credit each calendar year for teachers in the state colleges and state institutions who may or may not receive compensation in every pay period in the calendar year.

Sec. 7. Minnesota Statutes 1965, Section 352.01, is amended by adding new subdivisions to read:

Subd. 19. **Retirement.** “Retirement” means the time after a state employee is entitled to an accrued annuity, as defined in subdivision 21 of this section, payable to him pursuant to his application for annuity filed in the office of the system as provided in section 352.115, subdivision 8 or, in the case of an employee who has received a disability benefit, when he attains age 65.

Subd. 20. **Retired employee.** “Retired employee” means an employee who has retirement status as defined in section 352.01, subdivision 19.

Subd. 21. **Accrued annuity.** For the purposes of this chapter “accrued annuity” means an annuity which had become payable to a retired employee in his lifetime. An annuity authorized as provided in this chapter becomes payable on the first day of each calendar month for the preceding calendar month and is to be paid during the first week of each calendar month.

Subd. 22. **Disabled employee.** For the purposes of this chapter “disabled employee” means an employee who is totally and permanently disabled as defined in section 352.01, subdivision 17, and who as a result thereof is entitled to receive a disability benefit as provided in section 352.113.

Subd. 23. **Coverage or covered by the system.** “Coverage” or “covered by the system” for the purposes of this chapter means that state employees who serve the state of Minnesota and make the required employee contributions to the retirement fund will by reason thereof become entitled to either (1) a retirement annuity, or (2) a disability benefit, or (3) a refundment of accumulated contributions, all as provided in this chapter.

Sec. 8. Minnesota Statutes 1965, Section 352.021, is amended to read:

352.021 **Minnesota state retirement system.** Subdivision 1. **Establishment.** There is hereby established a state employees retirement association, the membership of which shall consist only of

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*state employees the Minnesota state retirement system, hereinafter called the system, for state employees. The Minnesota state retirement system is a continuation of the state employees retirement association. Any person who was a member of the state employees retirement association on June 30, 1959 1967, shall continue his membership with the association shall be covered by the Minnesota state retirement system and shall be entitled to all benefits provided by such system upon fulfilling the age, service, contribution, and other requirements thereof.*

**Subd. 2. State employees covered.** *Every state employee not a member of the association on July 1, 1957, becomes a member by Every person who is a state employee, as defined in section 352.01, on July 1, 1967, and every person becoming a state employee thereafter is covered by the system provided by this chapter. 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 of the state employee in the retirement fund.*

**Subd. 3. Optional exemptions.** *Any person who is a the head of a department departmental head appointed by the governor may request exemption from membership coverage under this chapter if he is not a member of the association so covered 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 such coverage so long as he continues in the position which entitled him to exemption from membership therefrom.*

**Subd. 4. Re-entering service after refundment.** *Whenever a former member employee who has withdrawn his accumulated contributions re-enters employment entitling him to membership in coverage under the state employees retirement association system established by this chapter, he shall become a member of the association be covered thereby 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. 5. Continuing coverage.** (a) *Any member state employee who has made contributions to the retirement fund for a period of one year and who, thereafter continuing in state service, becomes eligible to membership in the state teachers retirement association shall have the option of continuing as a member of the state employees retirement association by filing with this association*

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*coverage under the system by filing in its office his written election therefor. If he exercises this option, he shall not thereafter be entitled to membership in the teachers retirement association. This option shall also extend to any member of the state employees retirement association who has been required to become a member of the state teachers retirement association subsequent to June 30, 1957; and when the option is exercised as in this subdivision provided, the teachers retirement association shall upon application refund to such person the sum to his credit in that fund.*

(b) Employee contributions accepted under (a) of this subdivision by the state employees retirement association before July 1, 1961 shall entitle the paying member to the allowable service reflected by such contributions.

Sec. 9. Minnesota Statutes 1965, Section 352.028, is amended to read:

**352.028 Coverage termination.** *Membership of any person in the retirement association Coverage of any person under the system shall terminate upon his ceasing to be a state employee.*

Sec. 10. Minnesota Statutes 1965, Section 352.03, is amended to read:

**352.03 Board of directors, composition, executive director; duties, powers.** *Subdivision 1. Membership of board; election; term. The management of the state employees retirement fund is The policy making function of the system is hereby vested in a board of seven members, who shall be known as the board of trustees directors, hereinafter called the board. 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 state employees covered by the system 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 1968 shall terminate on the first Monday in March, 1950 1968, and the terms of the two board members whose terms expire in 1951 and 1952 1970 shall terminate on the first Monday in March, 1952 1970. 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 directors; 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.*

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Subd. 2. **Vacancy, how filled.** 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.

Subd. 3. **Directors serve without compensation.** 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.

Subd. 4.—The board shall elect a chairman and shall appoint an executive secretary and assistant secretary, and other employees as may be necessary; and shall contract for actuarial services, professional management services and consulting services as may be necessary, and fix the compensation therefor. Such contracts shall not be subject to the competitive bidding procedure prescribed by Minnesota Statutes, Chapter 16.

Appointment of the executive secretary and assistant secretary shall be in the unclassified service but appointees may be selected from civil service lists should the trustees desire to do so. The compensation of the employees in the unclassified service shall be fixed by the trustees who shall have full and exclusive authority regarding such compensation notwithstanding the provisions of section 350.083. Professional management services may not be contracted for more often than once in every six years. Copies of all professional management survey reports shall be sent directly to the legislature and the public examiner at the same time reports are furnished the trustees. Only management firms experienced in conducting management surveys of federal, state or local public retirement systems shall be qualified to contract with the trustees hereunder.

The board may provide inservice training for all employees of the association.

Subd. 5. 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.

Subd. 6.— It shall be the duty of the 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.

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*Subd. 4. Duties and powers of board of directors. It is the duty of the board and it has power to:*

- (1) Elect a chairman;*
- (2) Appoint an executive director;*
- (3) Establish rules and regulations for the administration of the provisions of Minnesota Statutes, Chapter 352 and transaction of the business of the system, all subject to the limitations of said chapter and the law;*
- (4) Consider and dispose of, or take such other action as the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system;*
- (5) Advise the director on any matters relating to the system and the carrying out of the functions and purposes of said chapter, which advice shall be controlling; and*
- (6) Fix the compensation of the director and assistant director of the system with full and exclusive authority regarding such compensation notwithstanding the provisions of Minnesota Statutes, Section 15A.11. The director and assistant director shall be in the unclassified service but appointees may be selected from civil service lists if it is desired to do so.*

*Subd. 5. Executive director. The executive director, hereinafter called the director, of the system shall be appointed by the board on the basis of fitness, experience in the retirement field, and leadership ability. He shall have had at least five years' experience on the administrative staff of a major retirement system.*

*Subd. 6. Duties and powers of executive director. The management of the system is vested in the director who shall be the executive and administrative head of the system. He shall act as advisor to the board on all matters pertaining to the system. He shall also act as the secretary of the board. It is the duty of the director and he has the power to:*

- (1) Attend all meetings of the board;*
- (2) Prepare and recommend to the board rules and regulations for the purpose of carrying out the provisions of Minnesota Statutes, Chapter 352;*
- (3) Establish and maintain an adequate system of records*

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and accounts following recognized accounting principles and controls;

(4) *Designate an assistant director with the approval of the board;*

(5) *Appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;*

(6) *Organize the work of the system as he deems necessary to fulfill the functions of the system, and to define the duties of its employees and delegate to them any of his powers or duties, subject to his control and under such conditions as he may prescribe. Appointments to exercise delegated power shall be by written order filed with the secretary of state;*

(7) *With the advice and consent of the board, contract for actuarial services, professional management services, and consulting services as may be necessary and fix the compensation therefor. Such contracts shall not be subject to the competitive bidding procedure prescribed by Minnesota Statutes, Chapter 16. Professional management services may not be contracted for more often than once in every six years. Copies of all professional management survey reports shall be sent directly to the legislature and the public examiner at the same time reports are furnished the board. Only management firms experienced in conducting management surveys of federal, state or local public retirement systems shall be qualified to contract with the director hereunder;*

(8) *With the advice and consent of the board provide in-service training for all employees of the system;*

(9) *Make refundments of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased state employees or deceased former state employees, all as provided in Minnesota Statutes, Chapter 352;*

(10) *Determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment thereof beginning as of the dates such annuities and benefits begin to accrue, all in accordance with the provisions of said chapter;*

(11) *Pay annuities, refundments, survivor benefits, salaries and all necessary operating expenses of the system;*

(12) *Certify funds available for investment to the state board of investment;*

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(13) *With the advice and approval of the board request the state board of investment to sell securities when he determines that funds are needed for the purposes of the system;*

(14) *Prepare and submit to the board and the legislature a biennial report covering the operation of the system, as required by Minnesota Statutes, Sections 356.20 to 356.23;*

(15) *Prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit such budgets to the department of administration; and*

(16) *With the approval of the board, perform such other duties as may be required for the administration of the retirement and other provisions of this chapter and for the transaction of its business.*

**Subd. 7. Directors' fiduciary obligation.** *It is the duty of the board and the director to administer the law faithfully without prejudice and consistent with the expressed intent of the legislature. They shall act in their respective capacities 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.*

**Subd. 8. Medical advisor.** *The executive officer of the state board of health or such other licensed physician on the staff of the state board of health as he may designate shall be the medical advisor of the director.*

**Subd. 9. Duties of the medical advisor.** *The medical advisor shall designate licensed physicians to examine applicants for disability benefits. The medical advisor shall pass upon all medical reports based upon such examinations required to determine whether a state employee is totally and permanently disabled as defined in section 352.01, subdivision 17, and shall investigate all health and medical statements and certificates by or on behalf of a state employee in connection with a disability benefit, and shall report in writing to the director his conclusions and recommendations on all matters referred to him.*

**Subd. 7.** *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 thereby made in the amount of deductions from salaries; or decrease in the amount of benefits paid.*

**Subd. 8. 10. Power to determine employee's status.** *Except as otherwise specifically provided in Chapter 352, the final*

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power to determine the status of any individual in the employ of the state for the purposes of this chapter is vested in the board of trustees and its decision is final.

**Subd. 9 11. Legal adviser, attorney general.** The attorney general shall be the legal adviser of the board of trustees and of the director.

**Subd. 10 12. Civil service department, duties.** Upon request of the board of trustees director, the civil service department shall furnish such information relative to the status of state employees as may be required by the director or the board in the performance of its their duties.

**Subd. 11 13. Industrial commission, duties.** The industrial commission shall furnish the board of trustees director 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 board of trustees director 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 system during the time compensation is received for temporary disability resulting from such injury, but shall not be used for any other purpose.

**Subd. 12 14. Departmental information.** Under the direction of the board of trustees director the head of each department shall furnish such information and keep such records as the director or the board may require for the discharge of its their duties.

**Subd. 13 15. Calendar year basis optional.** For all purposes except quarterly and biennial budgets the board of trustees system may operate on a calendar rather than a fiscal year basis.

Sec. 11. Minnesota Statutes 1965, Section 352.04, is amended to read:

**352.04 State employees retirement fund, contributions by employee and employer.** Subdivision 1. **Fund created.** 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. Employee contributions.** The employee contribution to the fund (a) by those employees whose state service is covered by the federal social security act shall be an amount equal to three percent of salary, and (b) by those employees whose state

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service is not covered by the federal social security act shall be an amount equal to six percent of salary. These contributions 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 \$7,200 in any calendar year.~~

Subd. 3. **Employer contributions.** The employer contribution to the fund shall be (1) an amount equal to the total amount deducted from the salaries of ~~members~~ *employees* on each payroll abstract, plus (2) (a) an additional two-thirds of the amount of such deductions for employees paying three percent contributions; or (b) an additional one-sixth of the amount of such deductions for employees paying six percent contributions. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Subd. 4. **Payroll deductions.** The head of each department shall cause employee contributions to be deducted from the salary of each ~~member of the retirement association~~ *employee covered by the system* 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~~ *on* 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 employee contribution the applicable amounts required in section 352.04, subdivision 2. All such deductions from salary and amounts collected shall be remitted by him to the ~~secretary of the association~~ *director* 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.

Subd. 5. **Payment of employer contributions.** (a) 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~~ *employee* is paid his salary in the amounts required by section 352.04, subdivision 3. 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

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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.

(b) 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.

**Subd. 6. Quasi-state agencies; employer contributions.** For those of their employees who are ~~members of the state employees retirement association covered by the system,~~ 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, and the armory building commission, 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.

**Subd. 7. Employer obligation to match employee lump sum payments.** Upon certification of the required amount to the employer by the ~~secretary of the association~~ director, each employing state department and employing governmental subdivision shall match on a pro-rata basis all authorized employee lump sum payments for past service rendered to each state department and governmental subdivision pursuant to this section or sections 352.23 or 352.27. The employer's liability in this subdivision provided shall have both prospective and retroactive application to lump sum payments made by employees after June 30, 1961.

**Subd. 8. Department required to pay equivalent of interest on omitted salary deductions.** (a) *If any department fails to take deductions from an employee's salary as provided in this section such deductions shall be taken on subsequent payroll abstracts, and the department, and not the employee, shall pay in lieu of interest an amount equivalent to six percent of the amount due for both the employee and employer contributions.* (b) *If the employee is no longer in state service so that the required deductions cannot*

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*be taken from his salary the department shall nevertheless pay the required employer contributions plus an amount equivalent to six percent of the required employee and employer contributions. (c) If an employee from whose salary required deductions were not taken returns to state service the unpaid amount thereof shall be considered the equivalent of a refundment, and the employee shall accrue no right by reason thereof, except that he may pay the amount thereof as provided in section 352.23.*

~~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.~~

**Subd. 8: 9. Erroneous deductions, cancelled warrants.** (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 *director*, and the department's payments shall likewise be refunded to the department ~~if the amount of the required adjustment is more than \$1.~~

**Subd. 10. Certain 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 fund and not into the general revenue fund.

**Subd. 11. Gifts and bequests.** ~~The board of trustees~~ *director* 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.

**Subd. 12. Fund disbursement restricted.** The retirement fund shall be disbursed only for the purposes herein provided. The expenses of the ~~association system~~ and the retirement allowances and annuities herein provided upon retirement, *and any other benefits herein provided*, shall be paid only from such fund, and the

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amounts necessary therefor are hereby annually appropriated from said fund for said purpose.

Sec. 12. Minnesota Statutes 1965, Section 352.041, is amended to read:

**352.041 Leave of absence for employment by political subdivision.** Subdivision 1. **Allowable service credit.** Any ~~member of the state employees retirement association~~ *employee covered by the system* 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 state employee~~ on the records of the ~~association~~ *system* 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, and shall be based upon the salary received from the political subdivision subject to the maximum amount, if any.

Subd. 2. **Employee contributions, procedure.** 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~~ *state employee* 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~~ *director* each pay period.

Subd. 3. **Employer contributions, procedure.** 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~~ *state employee covered by the system* shall also cause employer contributions to be made to the state employees retirement fund on each payroll abstract in the amount required by section 352.04, subdivision 3. These contributions are to be charged as an administrative cost.

Subd. 5. **Employer contributions, leaves of absence; tax levies.** Every political subdivision employing a ~~member of the state employees retirement association~~ *state employee covered by the system* 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~~ *state employees covered by the system*. Such employing political subdivisions may levy such taxes as may be necessary for the payment of

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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. **Certain employee contributions validated.** 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.

Sec. 13. Minnesota Statutes 1965, Section 352.05, is amended to read:

**352.05 State treasurer to be treasurer of system.** The state treasurer shall be ex-officio treasurer of the retirement funds of the ~~association~~ *system* and his general bond to the state shall cover all liability for his actions as treasurer of these funds. All moneys of the ~~association~~ *system* 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~~ *director* 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~~ *director* shall cause to be made, in ~~duplicate~~ *quadruplicate*, 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~~ *director*, or by the finance officer designated by the ~~secretary~~ *director* during the disability or the absence of the ~~secretary~~ *director* from the city of St. Paul, Minnesota. Abstracts for investments may be signed by the secretary of the state board of investment.

Sec. 14. Laws 1967, Chapter 404, Section 7, is amended to read:

[352.061] **Investment board to invest funds.** The ~~retirement board~~ *director* 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 for such purpose under Minnesota Statutes, Chapter 11.

Sec. 15. Minnesota Statutes 1965, Section 352.113, is amended to read:

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**352.113 Permanent disability benefits.** Subdivision 1. **Age and service requirements.** Any ~~member~~ *employee covered by the system* who is less than 65 years of age who becomes totally and permanently disabled after ten *or more* years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled ~~person's~~ *employee'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~~ *state employee covered by the system.*

Subd. 2. **Accrual of benefits.** The benefit shall begin to accrue 90 days following the commencement of disability or 30 days after the application is filed whichever is later. 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.** The *total and permanent* disability benefit shall be computed in the manner provided in section 352.115 and shall be limited to an amount not to exceed fifty percent of the salary upon which it is based. The disability benefit shall be the normal annuity without reduction for each month the ~~member~~ *employee* is under age 65 at the time of ~~retirement~~ *becoming disabled*. The optional annuities provided for in section 352.116 do not apply to this section. ~~Members~~ *Employees covered by the system* whose total and permanent disability shall have been established prior to July 1, 1961, and approved by the trustees, shall continue to receive the disability benefits provided by the law then in effect so long as the total and permanent disability continues.

Subd. 4. **Medical examinations; authorization for payment of benefit.** The ~~board~~ *director* shall have the ~~member~~ *employee* examined by at least two licensed physicians ~~selected by the board~~ *designated by the medical advisor*. These physicians shall make written reports to the ~~board~~ *director* concerning the ~~member's~~ *employee's* disability including medical opinions as to whether ~~or not~~ the ~~member~~ *he* is permanently and totally disabled within the meaning of Minnesota Statutes, Section 352.01, Subdivision 17, and acts amendatory thereto. The ~~board~~ *director* shall also obtain written certification from the employer stating whether ~~or not~~ the ~~member~~ *was separated from service* the ~~employee~~ *is on sick leave of absence* because of a disability which ~~would~~ *will* prevent further service to the employer and as a consequence the ~~member~~ *employee* is not entitled to compensation from the employer. If upon the consideration of the reports of the physicians and such other evidence ~~by the member~~ *as may have been supplied by the employee* or others interested therein, the ~~board~~ *medical advisor* finds the ~~member~~ *employee* totally and permanently disabled, it ~~he~~ shall ~~grant him~~ *a disability*

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~~benefit~~ *make appropriate recommendation to the director in writing together with the date from which the employee has been totally disabled, and the director shall thereupon determine the propriety of authorizing payment of a disability benefit as provided in this section.* 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. *Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because he has reached age 65 as provided in this section,* the disability benefit shall cease with the last payment received by the ~~annuitant~~ *during disabled employee or which had accrued to him in his lifetime unless he leaves a spouse surviving him; in which that event the surviving spouse shall be entitled to the disability benefit for the calendar month in which the annuitant disabled employee died.*

Subd. 5. **Benefits paid under other laws.** The disability benefit shall be reduced by any amounts received or receivable by ~~a member~~ *an employee* from the employer under applicable workmen's compensation laws.

Subd. 6. **Regular medical examinations.** At least once each year during the first five years following the allowance of a disability benefit to any ~~member~~ *employee*, and at least once in every three-year period thereafter, the ~~board~~ *director* shall require any ~~person~~ *disabled employee* to undergo a medical examination to be made at the place of residence of such ~~person~~ *employee*, or at any place mutually agreed upon, by a physician or physicians *designated by the medical advisor and engaged by the board director.* If any examination ~~indicated~~ *indicates to the medical advisor* 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~~ *the medical advisor finds* that such ~~person~~ *employee* is no longer permanently and totally disabled.

Subd. 7. **Partial re-employment.** Should the disabled ~~person~~ *employee* 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~~ *director* 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. *No deductions for the retirement fund shall be*

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*taken from the salary of a disabled employee who is receiving a disability benefit as provided in this subdivision.*

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

**Subd. 9. Return to state service.** Any ~~person~~ *employee* receiving a disability benefit who is restored to active state service *except employees receiving benefits as provided in subdivision 7 of this section*, 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~~ *employee* shall be entitled to receive disability benefits and a retirement annuity at the same time.

**Subd. 10. Employee again disabled after resuming employment.** *If a disabled employee resumes gainful employment with the state and he is not entitled to continued payment of a disability benefit as provided in subdivision 7 of this section, his right to a disability benefit shall terminate when he has been employed for one year thereafter. Should such employee again become totally and permanently disabled before reaching age 65, he may again make application for a disability benefit. In the event the employee is entitled to a disability benefit it shall be computed as provided in subdivision 9.*

**Subd. 11. Recomputation of benefit.** *If an employee who has resumed employment as provided in subdivision 10 is re-employed for more than three months, but is unable to continue in such re-employment for one year, his disability benefit shall be recomputed allowing him additional service credit for the period of re-employment; provided that if the period of re-employment does not exceed three months, the deductions taken from his salary after resuming employment shall be returned to him, and he shall not be entitled to service credit for the period covered by the returned deductions.*

**Subd. ~~10~~ 12. Retirement status at age 65.** The disability benefit paid to a ~~person~~ *an employee* 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~~ *a retired employee*.

Sec. 16. Minnesota Statutes 1965, Section 352.115, is amended to read:

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**352.115 Retirement annuity.** Subdivision 1. **Age and service requirements.** After separation from state service any ~~per-~~son *employee* (a) who has attained the age of at least 65 years and who is entitled to credit for not less than ten years allowable service or (b) who has attained the age of at least 58 years and who is entitled to credit for not less than 20 years allowable service is entitled upon application to a retirement benefit *annuity*. Retirement is not compulsory prior to attaining the age of 70.

Subd. 2. **Average salary.** 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~~ *employee'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 determining a ~~member's~~ *an employee'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~~ *an employee* for the purpose of determining his retirement annuity means *the average of* his salary upon which he has made contributions to the retirement fund by payroll deductions.

Subd. 3. **Retirement annuity formula.** The ~~member's~~ *employee's* average salary, as defined in subdivision 2 multiplied by the applicable percentages indicated below shall determine the amount of the retirement annuity to which the ~~member~~ *employee* 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	1 percent per year of service
(c)	Third ten years or completed months of service less than such period	1.66 percent per year of service

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- (d) Subsequent years or completed months of service less than such period 1.75 percent per year of service

Subd. 4. **Certain annuity options.** When any person *employee* retires who on July 1, 1957, had ten or more years of allowable service as a member of the *state employees retirement association*, and who does not qualify for old age and survivors primary benefits, he shall have the option to receive (a) the annuity provided in subdivisions 2 and 3, or (b) the annuity based on salary not exceeding \$4,800 per annum 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 352.115, subdivisions 2 and 3, shall apply for the purpose of ascertaining his retirement benefit *annuity* under this section.

Subd. 5. **Additional annuity in certain cases.** When any person *employee* retires who on July 1, 1957, had ten or more years of allowable service as a member of the *state employees retirement association*, he shall receive in addition to the annuity provided in subdivisions 2 and 3, an amount which, when added to his old age survivors insurance primary benefit, equals the annuity based on salary not exceeding \$4,800 per annum, he would have received under Minnesota Statutes 1953, Section 352.11 as amended by Laws 1955, Chapter 239.

Subd. 7. **Application for annuity.** Application for annuity may be made by the ~~member~~ *employee*, or some one acting in his behalf, upon proof of authority satisfactory to the ~~trustees~~ *director*.

Subd. 8. **Accrual of annuity.** ~~Members~~ *State employees* shall make application for an annuity; ~~however this~~ *but such* application shall not be made prior to the time the ~~member~~ *employee* is eligible to retire by reason of both age and service requirements. *If the director determines an applicant for annuity has fulfilled all the requirements of the law to entitle him to an annuity, he shall authorize payment thereof in accordance with the provisions of this chapter and payment shall be made pursuant to this authorization.* An annuity shall begin to accrue 30 days after the application is filed with the ~~board of trustees~~ *director* but in no event (1) prior to the day following the last day of the pay period in which is his last working day, or (2) the last day for which he is paid for sick leave, or (3) prior to the termination of state service. The retirement ~~benefits~~ *annuity* shall cease with the last payment received by a

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*which had accrued to the retired employee during his lifetime unless the retired employee he elected a reversionary annuity or an optional annuity provided in section 352.116, subdivision 3, and he had become entitled to payment thereof.* The reversionary annuity ~~and~~ joint and last survivor annuity shall cease with the last payment received by the ~~surviving spouse or beneficiary survivor~~ *survivor* in his or her lifetime. If a retired employee had not selected an optional annuity, *or a survivor annuity is not payable under the option*, and leaves a spouse ~~surviving him survives~~, 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.

Subd. 9. **Annuities payable monthly.** All annuities, retirement allowances and disability benefits authorized 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.

Subd. 10. **Re-employment of annuitant.** Should any former member ~~while an annuitant retired employee~~ again become entitled to receive salary or wages from the state, other than salary or wages received as a temporary employee of the legislature during a legislative session, his annuity or retirement allowance shall cease when he has earned ~~\$1200~~ \$2000 in any calendar year, ~~but.~~ *The annuity shall be resumed when state service terminates, or, if the retired employee is still employed at the beginning of the next calendar year, at the beginning of such calendar year, and payment shall again terminate when he has earned \$2000.* No payroll deductions for ~~the benefit of~~ the retirement fund shall be made from the earnings of such ~~annuitant retired employee~~. If such ~~annuitant retired employee~~ is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed during the period of sick leave. No change shall be made in the monthly amount of such annuity or retirement allowance because of such employment. The provisions of this subdivision shall be construed consistently with section 352.72, subdivision 3.

Subd. 11. **Accrued annuity at death.** Any annuity, retirement allowance or disability benefit which had accrued prior to the death of ~~an annuitant a retired employee~~, *and any disability benefit which had accrued prior to the death of a disabled employee* shall be paid to the beneficiary whom the ~~annuitant retired employee or the disabled employee~~ had last designated. If (a) no beneficiary has

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been so designated, or (b) the designated beneficiary should die before making claim for payment of such ~~retirement allowance or annuity or benefit~~, payment shall be made to the surviving spouse, or, if none, to the legal representative of such ~~annuitant~~, *provided that if the retired employee or disabled employee. If such* designated beneficiary, surviving spouse, or legal representative entitled thereto does not apply for payment within five years from the date of death of the ~~annuitant retired employee or disabled employee~~, the annuity *or disability benefit* which had accrued at the time of death shall be credited to and become a part of the retirement fund.

Subd. 12. **Death, return of warrants.** If at the time of death ~~an annuitant a retired employee, a disabled employee or a survivor~~ has in his possession state auditor's warrants covering a retirement allowance, annuity, or disability benefit *or survivor benefit* from the retirement fund, in the absence of probate proceedings, and upon the return of such warrants for cancellation, payment of such accrued *annuity or benefit* shall be paid as provided in sections 352.115, subdivision 11, or 352.12, subdivision 4. Payments made under the provisions of this subdivision shall be a bar to recovery by any other person or persons.

Sec. 17. Minnesota Statutes 1965, Section 352.116, is amended to read:

352.116 **Annuities upon retirement.** Subdivision 1. **Reduced annuity before age 65.** ~~Where any member~~ *Any employee who retires prior to age 65; he shall be paid a retirement annuity in an amount equal to the normal retirement annuity provided in sections 352.115, subdivisions 2 and 3, or 352.715, subdivision 2, as the case may be, reduced by one-half of one percent for each month that the member employee is under age 65 at the time of retirement on the last day for which he is entitled to service credit as provided in section 352.01, subdivision 11, (3).*

Subd. 2. **Normal annuity at age 65.** ~~Where any member~~ *Any employee who retires after age 65; he shall be paid an the annuity determined in the manner provided in section 352.115 or 352.715, subdivision 2, whichever applies.*

Subd. 3. **Optional annuities.** The board of trustees shall establish an optional ~~annuity~~ *of retirement annuity* which shall take the form of a joint and survivor annuity. The board of trustees 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 nor-

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mal forms provided in sections 352.115 and 352.116, or 352.715, subdivision 2, whichever applies. 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.

Sec. 18. Minnesota Statutes 1965, Section 352.12, is amended to read:

**352.12 Refundment after death of employee or former employee.** Subdivision 1. **Death before termination of service.** If a ~~member~~ *an employee* dies before his state service has terminated and neither a survivor ~~benefit annuity~~ nor a reversionary annuity is payable ~~as provided herein~~, *the director shall make a refundment shall be paid to his last designated beneficiary or, if there be none, to his surviving spouse or, if none, to the representative of his estate in an amount equal to his accumulated contributions plus interest thereon to the date of death at the rate of two and one-half percent per annum compounded annually. In the event an employee dies who has received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the repayment was made in installments, interest shall be paid only from the date each installment was paid.* The designated beneficiary, *surviving spouse* or representative of the estate of a ~~member who may have an employee who has received a disability annuity benefit~~ 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—If a ~~member or former member~~ dies (a) who did not designate a beneficiary, or (b) whose last designated beneficiary dies without making application for refundment, ~~refundment shall be made to his surviving spouse; or if none, to the legal representative of the estate of such member or former member.~~

Subd. 3. **Refundment of \$500 or less.** If a ~~member or former member~~ *state employee or former state employee* 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~~ *employee or former employee*, and there is no surviving spouse, and the amount of the refundment does not exceed \$500 exclusive of interest the board of trustees *director* may, 90 days after the date of death of the ~~member or former member~~ *employee or former employee* in the absence of probate proceedings, make refundment to the surviving spouse of the deceased ~~member or former member~~; or, if none, the trustees may upon proper application make refundment to the next of kin

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of the deceased ~~member~~ or former ~~member~~ *employee* or former *employee*, as determined by the ~~trustees~~ *director with the concurrence of the board*, to be entitled thereto consistent with the laws of descent and such determination and payment without notice shall be conclusive and final and shall be a bar against claims of all other persons.

Subd. 4. **Refundment to minor beneficiary.** If a ~~member~~ *employee* or former ~~member~~ *employee* dies having named as his beneficiary a person who is a minor at the time of the application for ~~benefit refundment~~, and the amount of the ~~benefit refundment~~ does not exceed \$500, exclusive of interest, the ~~board of trustees~~ *director* 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 annuity, retirement allowance or disability benefit ~~payable which had accrued at the time of death of an annuitant, which a disabled or retired employee,~~ is payable to a *minor beneficiary who is a minor*, may *similarly be paid, in the same manner* and such payment shall be a bar to recovery by any other person or persons.

Subd. 5. **Monthly installments.** The beneficiary or surviving spouse of any deceased ~~member~~ *employee* or former ~~member~~ *employee* 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 ~~board of trustees~~ *director*.

Subd. 6. **Death after service termination.** If a former ~~member of the association~~ *employee covered by the system* dies and he has not received an annuity, a retirement allowance or a disability benefit, a refundment shall be ~~paid made to his last designated beneficiary or, if there be none, to his surviving spouse or, if none,~~ to the representative of his estate in an amount equal to his accumulated contributions.

Subd. 7. **Absence of optional or reversionary annuity.** If an ~~annuitant~~ *retired employee* 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 his surviving spouse or, if none,* to the representative of his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the ~~annuitant at the time of retired employee immediately prior to his retirement~~ over and above the aggregate of (1) all annuities, retirement allowances and disability benefits he had received and which had accrued in his lifetime, and (2) the annuity, retirement allowance or disability benefit if applicable, payable to his surviving spouse under section 352.115, subdivision 8,

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or section 352.113, subdivision 4, for the calendar month in which the ~~member~~ *retired employee* died.

Subd. 8. **Optional or reversionary annuity.** ~~If an annuitant~~ *a retired employee* 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 contributions to the credit of the ~~annuitant at the time of retired employee~~ *retired employee immediately prior to his* retirement, the balance of such accumulated contributions shall be paid to the person designated by the ~~annuitant~~ *retired employee* in writing to receive the same, but if no such designation has been made by the ~~annuitant~~ *retired employee* the remaining balance of such accumulated contributions shall be paid to the representative of his estate.

Subd. 9. **Beneficiary designation.** The designation of a beneficiary or person to receive any accumulated contributions remaining to the credit of a ~~member, a former member, or an annuitant~~ *an employee, a former employee, or a retired employee*, at the time of his death, as provided in this section, must be in writing and must be filed with the ~~board of trustees~~ *director* prior to the death of the ~~member, former member, or annuitant~~ *employee, former employee, or retired employee*.

Subd. 10. **Death of beneficiary before refundment.** If the last designated beneficiary or beneficiaries ~~and the surviving spouse~~ *of a* (a) a deceased ~~member~~ *employee*, or (b) former ~~member~~ *employee*, or (c) ~~an annuitant~~ *retired employee*, should die before receiving a refundment of the sum to the credit of the deceased ~~member employee, former member employee or annuitant~~ *retired employee* at the time of his death, the refundment shall be made to the estate of the deceased ~~member~~ *employee*.

Subd. 11. **Death of disability annuitant.** If a ~~member~~ *an employee* who has received a disability benefit dies, there shall be paid to his last designated beneficiary or, if there be none, ~~to his surviving spouse, or if none,~~ *to the* representative of his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the ~~member~~ *employee* at the time the disability benefit began to accrue over and above the aggregate of (1) all disability benefits he had received and which had accrued in his lifetime, and (2) the benefit for the month in which the disabled employee died, payable, if applicable, to his surviving spouse under section 352.113, subdivision 4, and acts amendatory thereof.

Subd. 12. **Refundment, failure to request.** If the last designated beneficiary, surviving spouse, ~~or~~ *legal representative or next of kin, as determined by the director with the concurrence of the*

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*board, of a deceased member, former member, or annuitant employee, former employee, retired employee, or disabled employee fails to make claim for refundment as provided in this section within five years from the date of death of the member, former member, or annuitant employee, former employee, retired employee, or disabled employee, the accumulated contributions to his credit at the time of death shall be credited to the retirement fund; however, if claim to refundment is made within ten years from the date of death, and the amount transferred to the fund is over \$25, the sum shall be restored to the account of such deceased member, former member, or annuitant employee, former employee, retired employee, or disabled employee and refundment shall then be made to the person entitled thereto.*

Subd. 13. **Refundment, beneficiary.** If at the time of death a former ~~member~~ *employee* has in his possession a state auditor's warrant which does not exceed \$500 covering a refundment of his accumulated contributions in the retirement fund, in the absence of probate proceedings such state auditor's warrant may be returned for cancellation, and then upon application made by the last designated beneficiary of such deceased former ~~member~~ *employee*, refundment of the accumulated contributions shall be made to the last designated beneficiary. Payments made under the provisions of this subdivision shall be a bar to recovery by any other person or persons.

Sec. 19. Minnesota Statutes 1965, Section 352.16, is amended to read:

352.16 **Insurance laws not to apply.** None of the laws of this state regulating insurance or insurance companies shall apply to the *Minnesota state retirement association system* or any of its funds.

Sec. 20. Minnesota Statutes 1965, Section 352.22, is amended to read:

352.22 **Refundments or deferred annuities.** Subdivision 1. **Service termination.** Any ~~member~~ *employee* who ceases to be a state employee by reason of termination of state service, 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~~ *not be made earlier than 60* 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 covered by the system;~~ except that ~~members~~ *employees* having attained the age of 70 years or more, whose state service is terminated by operation of law, or by direction

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of the appointing authority, who are not eligible to receive an annuity under sections 352.115 or 352.72, may apply for refundment without any waiting period.

**Subd. 2. Amount of refundment.** 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 contributions without interest.

**Subd. 3. Deferred annuity.** (1) *Any person employee* with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions 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 by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff who does not return to state service during the period his name is carried on a layoff list pursuant to civil service law or regulation shall have any deferred annuity to which he may become entitled computed under the law in effect on his last working day.

(3) The provisions of section 352.28, subdivision 1, and section 352.115, subdivisions 4 and 5 shall not apply to paragraphs (1) and (2) hereof.

(4) 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 system~~, but no application for a deferred annuity shall be made prior to the time the former ~~member employee~~ reaches the required age to entitle him to ~~the payment of such annuity payment~~.

(5) Application for the accumulated contributions left on deposit with the fund may be made at any time after ~~90~~ 60 days following the date of his termination of service.

(6) *No person who as an employee of the adjutant general who is a member of any federal retirement system shall be entitled to a deferred annuity as provided herein based upon past or future service.*

**Subd. 4. Surrender of deferred annuity certificates.** Former members of the state employees retirement association 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 contributions upon application.

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Subd. 5. **Refundment generally unlimited.** The right of refundment provided in section 352.22 is not restricted as to time unless specifically provided and the statute of limitation does not apply thereto.

Subd. 7. ~~Any member qualified to do so; to whom Minnesota Statutes 1961, Section 352.24 applies; (a) who has made payment permitted by that section to obtain additional service credit as therein provided; and (b) who attains 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 (c) who would not be entitled to any retirement benefits from the association; shall, upon application in writing, be entitled to refundment of the amount paid by him for such additional service credit.~~

Subd. 8. **Refundment specifically limited.** If a former ~~member of the association~~ *employee covered by the system* 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 contributions is not over \$50, such accumulated contributions shall be credited to and become a part of the retirement fund. In the event the former ~~member~~ *employee* should return to state service and become a ~~member of the retirement association~~ *state employee covered by the system*, the amount so credited to the retirement fund shall be restored to his individual account. If the amount so credited to the fund is over \$25 and the former ~~member~~ *employee* should apply for refundment, the amount shall be restored to the former ~~member's~~ *employee's* individual account and refundment made.

Subd. 9. **Refundment for persons committed to state hospitals.** While a former ~~member~~ *employee* is under commitment as an inmate of a state hospital under the jurisdiction of the commissioner of public welfare, or of a similar public authority if the former ~~member~~ *employee* is an inmate of a state hospital of another state, and if the inmate is entitled to a refundment of his accumulated contributions in the retirement fund in an amount not to exceed \$300, refundment of such accumulated contributions may be made, upon appropriate application therefor, to the superintendent of such state hospital of this state, or similar public authority of another state if authorized so to do by the laws of that state, and such refundment shall be a bar to recovery by any other person or persons.

Subd. 10. **Other refundments.** Former members of the as-

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~~association employees covered by the system~~ who are or who shall become members of the highway patrolmen's retirement association, the state police officers retirement fund; or employees of the university of Minnesota ~~who are excluded from membership in the state employees retirement association coverage under the system~~ by the action of the board of regents; or labor service employees ~~lacking tenure under section 43.09, subdivision 7, excluded from coverage under section 352.01, subdivision 2B, (26);~~ or employees of the adjutant general who under federal law effectually elect membership in a federal retirement system, shall be entitled to a refundment without any waiting period, in an amount equal to their respective accumulated contributions without interest, notwithstanding their continuance in state service but in positions not covered by chapter 352.

Subd. 11. **Refundment, membership in teachers retirement association.** A ~~member state employee~~ who has no option or who does not exercise his option under section 352.021, subdivision 5, to continue ~~membership in the state employees retirement association as an employee covered by the system,~~ shall upon becoming eligible to membership in the state teachers retirement association, be entitled to an immediate refundment of his accumulated contributions without interest.

Sec. 21. Minnesota Statutes 1965, Section 352.23, is amended to read:

**352.23 Termination of rights.** When any ~~member employee~~ accepts a refundment as provided in section 352.22, all existing service credits and all rights and benefits to which the ~~member employee~~ was entitled prior to the acceptance of such refundment shall terminate and shall not again be restored until the former ~~member employee~~ 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. Repayment of refundments will entitle the ~~member employee~~ only to credit for service covered by (a) salary deductions, (b) payments made in lieu of salary deductions, and (c) payments made to obtain credit for service as permitted by laws in effect at the time payment was made. If a ~~member an employee~~ before taking one or more refundments had credit for prior service or for military service without payment in either case, he may obtain credit for such forfeited service prior to July 1, 1929, and for such forfeited military service by making payments at a contribution rate of three percent of his average salary upon which deductions for the retirement fund were based, for the three year period immediately preceding repayment of refundment for service credit prior to July 1, 1929, and on the salary re-

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ceived by him at the time of entering military service to restore his military service credit. All such payments and repayment of refundments are to be paid with interest at four percent per annum compounded annually.

Sec. 22. Minnesota Statutes 1965, Section 352.27, is amended to read:

**352.27 Credit for military service.** Any employee given a leave of absence to enter military service 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 be entitled to credit for any voluntary extension of military service at the instance of the ~~member employee~~ beyond the initial period of enlistment, induction or call to active duty, nor to credit for any period of service following a voluntary return to military service. Such ~~member employee~~ 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 the applicable amounts required in section 352.04, subdivision 2, 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 employee~~ upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.

Sec. 23. Minnesota Statutes 1965, Section 352.28, Subdivision 1, is amended to read:

**352.28 Savings clauses.** Subdivision 1. **Optional retirement benefits.** Any person who on July 1, 1957, ~~has had~~ ten or more years of allowable service as a member *of the state employees retirement association* 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, (a) Section 352.11, Subdivision 1, paragraphs 3, 4 and 6, or (b) sections 352.715, subdivision 2, and 352.116.

Sec. 24. Minnesota Statutes 1965, Section 352.28, Subdivision 2, is amended to read:

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Subd. 2. **Certain elections continued.** Any election made by a member of the *state employees retirement association* 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~~ *employee* retires.

Sec. 25. Minnesota Statutes 1965, Section 352.28, Subdivision 8, is amended to read:

Subd. 8. **Joint and survivor annuity entitlement.** If (a) a ~~member~~ *an employee* and his spouse are both at least 64 years of age when, in accordance with section 352.116, subdivision 3, as amended, he files with the ~~association system~~ his application for joint and survivor optional annuity providing for payments thereunder to his surviving spouse; and (b) such application is filed with the ~~association system~~ at least 40 days prior to the ~~member's~~ *employee's* death; and (c) the ~~member's~~ *employee's* death occurs less than 15 days before the first optional annuity payment would have accrued to him had he lived; then, upon fulfillment of these conditions, his surviving spouse shall be entitled to the survivor's optional annuity specified for her benefit thereunder, to accrue from and after the day following the last day for which the ~~member~~ *employee* was paid salary.

Sec. 26. Minnesota Statutes 1965, Section 352.38, Subdivision 3, is amended to read:

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

Sec. 27. Minnesota Statutes 1965, Section 352.715, is amended to read:

352.715 **Annuities, benefits and survivor benefits for employees not covered by social security.** Subdivision 1. **Scope.** The provisions of this section apply only to (a) those ~~members of the association~~ *employees covered by the system* who are not covered under the provisions of the federal old age and survivors insurance act, and (b) any department or agency employing such ~~members~~ *employees*. Except as otherwise specifically provided in this section, the provisions of Minnesota Statutes 1961, Section 352.01 through Section 352.72 shall apply.

Subd. 2. **Annuities.** (A) The retirement annuity payable

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under this subdivision at age 65 *or thereafter* shall be computed in accordance with the applicable provisions of the formula stated in paragraph (B) hereof, on the basis of the ~~member's~~ *employee'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 determining ~~a member's~~ *an employee'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~~ *an employee* for the purpose of determining his retirement annuity means *the average of* his salary upon which he had made contributions to the retirement fund by payroll deductions.

(B) The ~~member's~~ *employee's* average salary as defined in paragraph (A), multiplied by the applicable percentages indicated below shall determine the amount of retirement annuity to which the ~~member~~ *employee* 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 or completed months of service less than such period.	3 percent per year of service

(C) The annuity of a ~~member~~ *an employee* who qualifies for retirement prior to reaching age 65 shall be reduced by one half of one percent for each month he is under age 65 ~~at the time of retirement on the last day for which he is entitled to service credit as provided in section 352.01, subdivision 11 (3).~~

(D) ~~A member~~ *An employee* may at time of retirement ~~making application for annuity~~ elect to take an optional annuity authorized pursuant to section 352.116, subdivision 3, provided however, that

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such optional forms shall be actuarially equivalent to the normal sum provided for in this subdivision, paragraphs (A), (B) and (C).

Subd. 3. **Disability benefit.** (A) ~~A member~~ *An employee* who has become totally and permanently disabled as provided in section 352.113 shall receive a disability benefit based upon his age at the time of disability in accordance with subdivision 2, paragraphs (A), (B) and (C) hereof, 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

(B) ~~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.~~ The disability benefit shall also be reduced by any amounts received or receivable by ~~a member an employee~~ from the employer under applicable workmen's compensation laws.

(C) The disability benefit paid to a person under this section shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be determined to be ~~on retirement status~~ *a retired employee* and shall be paid a straight life retirement annuity as provided in this section, subdivision 2, or a straight life retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever amount is greater.

Subd. 4. **Survivor benefits.** (A) Upon the death of a ~~member an employee~~ before retirement 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 employee's~~ monthly average salary, not to exceed \$65 per month

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- (b) Each dependent child 20 percent of the ~~member's~~ *employee'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~~ *employee'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. For the purpose of this subdivision 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~~ *employee*. 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~~ *an employee* 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~~ *employee*, these benefits shall be reduced to an amount equal to the deceased ~~member's~~ *employee's* monthly average salary.

(B) Upon the death of a ~~member~~ *an employee* 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 ~~member's~~ *employee's* annuity computed on the basis provided in subdivision 2 of this section, 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.

Sec. 28. Minnesota Statutes 1965, Section 352.72, is amended to read:

352.72 **Coverage by more than one retirement system or association.** Subdivision 1. **Entitlement to annuity.** Any person who has been a ~~member of the state employees retirement association or an employee covered by the Minnesota state retirement system, or a member of 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

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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 service entitling him to coverage under the system or his membership in ~~that association~~ either of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that ~~an annuitant~~ a person must have at least ten years' membership service or ten years of allowable service in the respective system or 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. **Computation of deferred annuity.** The deferred annuity, if any, accruing under subdivision 1, 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. **Postponement of payment of annuity.** No annuity shall be paid from the state employees retirement fund during the time the former member employee is working and accruing service credit as a member of either the public employees retirement association or the teachers retirement association.

Subd. 4. **Refundment repayment.** 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~~ director.

Sec. 29. **Repealer.** *Minnesota Statutes 1965, Sections 352.01, Subdivision 6 and 352.28, Subdivision 3, are repealed.*

Sec. 30. **Effective date.** *The effective date of this act is July 1, 1967.*

Approved June 2, 1967.

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