

Legislative Commission on Pensions and Retirement

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TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Susan Lenczewski, Executive Director

DATE: March 5, 2018

SUBJECT: Amendment S2620-2A: PERA P&F; Coverage of part-time paramedics and emergency medical technicians at Hennepin Healthcare System, Inc.

The Public Employees Police and Fire Retirement Plan (PERA P&F) covers full-time paramedics and emergency medical technicians (EMTs) employed by Hennepin Healthcare System, Inc. (HHS), doing business as Hennepin County Medical Center (HCMC). According to its 2015 IRS Form 990, HHS is a non-profit tax-exempt organization consisting of “an integrated network of physicians, hospital, ambulatory care services, pharmacies, and ambulance service.” Its facilities are owned by Hennepin County and the Hennepin County Board of Commissioners oversees its annual operating and capital budgets, among other governance responsibilities.

Amendment S2620-2A amends Article 10, Section 13 of SF 2620/HF 3035, the 2018 omnibus pension bill. Section 13 amends Minnesota Statutes, Section 353.64, which is the statute that defines who is covered by the PERA P&F Plan. Subdivision 10 extends coverage to HHS employees who are:

- (1) certified as a paramedic or EMT by the state under section 144E.28, subdivision 4;
- (2) employed full time as a paramedic or EMT; and
- (3) not eligible for federal Social Security coverage.

Because Subdivision 10 did not explicitly include supervisors and managers of paramedics and EMTs, who are themselves certified paramedics or EMTs, Section 13 of the omnibus pension bill adds language to clarify that these supervisors and managers are also covered by PERA P&F.

Amendment S2620-2A further amends subdivision 10 to replace the “full-time” reference with “at least half-time.” This amendment will allow employees who are wanting to work less than full-time, but greater than half-time, to do so, without losing coverage under the PERA P&F Plan.

Andrew J. Mitchell, the Senior Assistant County Attorney who serves as the general counsel for HHS, describes this change as a cost-saving measure for HHS. According to Mr. Mitchell, HCMC is currently having difficulty maintaining a full complement of EMTs to staff its services, because many EMTs want to work less than full time, especially as they approach retirement. Changing the coverage requirement from full-time to at least half-time will allow HCMC to accommodate the needs of its EMTs who wish to work less than full-time and HCMC’s desire to hire new part-time EMTs to replace departing full-time EMTs, while being able to use PERA P&F Plan coverage as a recruitment incentive.

We understand that PERA has no objection to the proposed legislation.