

Lisa Diesslin

From: Doug Anderson (PERA) <doug.anderson@mnpera.org>
Sent: Tuesday, April 28, 2020 3:08 PM
To: Sen. Julie Rosen; Rep.Mary Murphy; Rep.Michael Nelson;
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Cc: Amy Strenge (PERA); Susan Lenczewski; Chad Burkitt; Lisa Diesslin
Subject: PERA Requested Changes to 2020 Omnibus Pension Bill

Chair Murphy and Members of the LCPR:

This email is to notify the Legislative Commission on Pensions and Retirement that PERA has requested the 2020 Omnibus Pension Bill be changed to remove language relating to privatization withdrawal liability changes contained in HF 4300 (Her) / SF 4201 (Jasinski). Previously, PERA had requested that HF 4298 (Nelson) / SF 4203 (Rosen) be removed from the 2020 Omnibus Pension Bill. In both instances, we requested to remove the language because the issues have become controversial, and we do not want to try to resolve differing points of view before the LCPR at this stage of an already challenging session. PERA desires that the 2020 Omnibus Pension Bill, with these two provisions excluded, be allowed to move forward without dissension to ensure that other very important, and non-controversial, goals may be achieved.

Reasons for removal of the Police & Fire disability changes were captured in an email I sent to you yesterday. The reason for also requesting removal of the privatization withdrawal liability changes are similar in the respect that there has been no change in PERA's board position or that of supporting stakeholders. However, the environment for healthcare providers has changed dramatically in the past few months. We recognize that it is desirable for healthcare entities to have an opportunity to closely evaluate PERA's provision under current circumstances. We still believe that a determination of a withdrawal liability is important to ensure that the cost of benefits not yet fully funded are attributed to the correct employer. Since there is no imminent privatization in process, there is time to reevaluate the approach next year.

In both instances, PERA believes the best path forward is to remove the related language this year and continue to work with stakeholders to address the issues in the next session. Please contact me if you have any questions.

S Sincerely,
Doug Anderson,
PERA Executive Director
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