

March 19, 1991
Room 10
State Office Building

3rd Meeting



LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Representative Leo Reding, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:20 AM.

Commission members present:

Representatives Richard Jefferson, Bob Johnson, Gerald Knickerbocker, Rich O'Connor, and Leo Reding
Senators Steven Morse, Lawrence Pogemiller, Earl Renneke, Leroy Stumpf, and Gene Waldorf

Rep. Reding requested Lawrence Martin, Executive Director, to review a letter from Gabriel, Roeder, Smith, Inc., dated 2/28/91, regarding a change for the Faribault police assumed age of retirement from 58 to 55.

Sen. Waldorf moved to approve the change in the assumed retirement age for Faribault police to age 55. Discussion followed.

Stan Peskar, League of Minnesota Cities, testified that he was not aware of this proposed change.

Rep. Reding **LAID OVER** this issue temporarily to permit the city of Faribault to respond to this proposed change.

Sen. Waldorf moved to require all major funds and first class city funds to regularly provide the Commission with copies of their board meeting minutes. **MOTION PREVAILED.**

H.F. 225 (Dorn); S.F. 244 (Hottinger): PERA-P&F, Provide survivor benefits to Mankato firefighter survivors.

Rep. Reding **LAID OVER** the bill to allow PERA further time to study this issue.

H.F. 611 (Farrell); S.F. (): Duluth & St. Paul Firefighters; Provide refund to beneficiary or estate in certain deaths

Rep. Farrell was present. Larry Martin reviewed the staff memo and amendment LCPR91-52 which provides general authorization for any local police or fire relief association to pay a refund of the member contributions, plus interest, if a member dies without any survivor benefit being payable.

Sen. Waldorf moved approval of the amendment LCPR91-52. **MOTION PREVAILED.**

Motion to approve H.F. 611 as amended. **MOTION PREVAILED.**

H.F. 389 (Jefferson); S.F. (): State Patrol; Provide refund to beneficiary or estate in certain deaths.

Larry Martin reviewed the bill and a technical amendment, LCPR91-53, and noted that this bill provides a refund of member contributions to survivors or the estate of a member who died without selecting an optional annuity form.

Rep. Jefferson moved approval of LCPR91-53. **MOTION PREVAILED.**

Motion to approve H.F. 389 as amended. **MOTION PREVAILED.**

H.F. 190 (Swenson); S.F. 314 (Laidig); PERA; Permit purchase of Prior Service and Military Service for St. Paul Water Utility Employee

Rep. Doug Swenson requested the bill to be **LAID OVER**.

Rep. Rich O'Connor requested a study be done regarding what full actuarial value on buybacks actually cost.

H.F. 272 (Ogren); S.F. 10 (Chmielewski): PERA; Purchase prior service, Carlton County employee.

This item was **LAID OVER** due to the authors not being present.

H.F. 394 (Erhardt); S.F. 279 (Storm): MTRFA Extend deadline for payment of leave of absence.

Rep. Ron Erhardt spoke in support of his bill and introduced Mrs. Delores Hagen, the person involved in this legislation. Ed Burek reviewed the staff memo on this bill.

Mrs. Hagen stated that she had made four payments after receiving four letters notifying her of the amount due but was not notified of the due date and amount of the fifth payment. Mrs. Hagen also noted that MTRFA had failed to compute the employer contribution for the 87-88 payment until March of 1991. Mrs. Hagen stated several additional points on this issue.

Morgan Fleming introduced Karen Killberg, the new Executive Secretary of MTRFA. Ms. Killberg called on the MTRFA attorney to respond to a question. Robert Butterbrodt, attorney for MTRFA, testified that one other person failed to receive notice and was allowed to pay. Ms. Killberg went on to note the concern MTRFA has regarding setting a precedent with this legislation and permitting a payment for a partial year.

Ed Burek responded to a question stating that this bill requires only the employee contribution plus interest. He also noted that this bill does not require Mrs. Hagen to pay the employer contribution. Mr. Burek offered several amendments to this bill depending on the desire of the Commission. Discussion followed.

Morgan Fleming noted that the MTRFA Board would be meeting March 20, 1991, and they would reconsider this issue.

H.F. 394 was **LAID OVER** pending reconsideration by the MTRFA Board.

H.F. 23 (Blatz); S.F. 297 (Belanger): TRA; Purchase service credit for unrequested leaves.

Rep. Kathleen Blatz spoke in support of her bill noting that the bill provides teachers who have been placed on unrequested leave to buyback up to five years service credit upon resumption of teaching service for a period of at least two years.

Ed Burek reviewed the staff memo on this bill and noted the bill requires payment of a buyback amount based on the salary rate the teacher earned at the time of the unrequested leave plus 6% interest and not due until the teacher has resumed teaching for a third year. Mr. Burek also noted that this bill is retroactive to January 1, 1975. Sen. Leroy Stumpf asked how many teachers would this bill apply to. Elton Erdahl, TRA, responded by saying he did not have documented information but thought the number was relatively small. Discussion followed.

Leo Paley, a teacher at Richfield High School, provided background information and testified in support of this bill. Mr. Ray Saxton, another Richfield teacher, was also present. Discussion followed. Rep. Reding requested that TRA provide an actuarial cost estimate of the buyback amount for the two teachers present at today's meeting.

H.F. 23 was **LAID OVER**.

H.F. 150 (Omann); S.F. 293 (Bertram): TRA; Purchase service credit for Merchant Marine service.

This bill was postponed by the author.

The meeting adjourned at 10:00 A.M.

Jean A. Liebgott
Jean Liebgott, Secretary