



March 26, 1991
Room 10
State Office Building

4th 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 8:00 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

H.F. 1035 (Johnson, R.); S.F. (Waldorf): TRA Administrative Provisions.

Rep. Reding requested Lawrence Martin, LCPR Executive Director, to review the staff memo on this bill. Mr. Martin referred members to page five of the staff memo and reviewed six pension policy changes contained in the bill. Mr. Martin reviewed technical amendment LCPR91-63 for this bill and noted that it would require a reinstatement to full employment after the leave as a condition of the leave. Elton Erdahl, TRA Executive Director, supported the amendment.

Rep. Johnson moved amendment LCPR91-63. **MOTION PREVAILED.**

Elton Erdahl reviewed sections 30 and 31 in the bill.

Rep. Johnson moved H.F. 1035. **MOTION PREVAILED.**

Budget Request of the Legislative Commission on Pensions and Retirement.

Larry Martin reviewed the Commission's biennial budget and noted that the LCC would be taking up the budget later that day. Mr. Martin stated that the Commission Chair and Vice Chair had previously reviewed the budget and that the chief area of change was in the actuarial consultant area.

Mr. Knickerbocker moved approval of the Commission budget. **MOTION PREVAILED.**

H.F. 299 (Reding); S.F. 377 (Waldorf): Local Police and Paid Fire Plans; Permit surviving spouse benefit upon remarriage.

Larry Martin reviewed the staff memo and amendment LCPR91-51 on this bill. Mr. Martin noted that amendment LCPR91-51 permits this bill to become effective only after local approval.

Sen. Waldorf spoke in support of all types of retroactivity being a choice for each particular relief association to make. Discussion followed. Rep. Jefferson asked if reinstatement would be permitted to an estate. Mr. Martin stated that language could be drafted to permit reinstatement to a spouse only not to an estate.

Brian Rice, representative of Minneapolis Firefighters, provided a handout pertaining to H.F. 536 that he thought might be pertinent to this bill and this discussion. The handout provided information on the actuarial cost of reinstatement. Mr. Rice also mentioned that amendment LCPR91-51 should also provide citations for the first class cities if it is to be applicable to them.

Paul Groschen, MSRS Executive Director, requested that this issue be passed statewide.

Laurie Hacking, PERA Executive Director, also requested that this be made a statewide bill.

Sen. Waldorf and Rep. Reding stated that they would prefer to have the local police and fire funds separate from the statewide funds.

Rep. Knickerbocker recommended that the statewide funds spouse remarriage issue be addressed in H.F. 401.

Sen. Waldorf moved the handwritten unnumbered amendment to LCPR91-51. **MOTION PREVAILED.**

Sen. Waldorf moved amendment LCPR91-51. **MOTION PREVAILED.**

Rep. Andy Dawkins reviewed MS47 which allows an assistant Commissioner of Public Safety to remain an employee of the city of St. Paul and to have her salary differential paid by the Department of Public Safety while she maintains her St. Paul police pension.

Rep. Johnson moved amendment MS47. **MOTION PREVAILED.**

H.F. 299 was moved as amended. **MOTION PREVAILED.**

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

Rep. Ron Erhardt reviewed a letter from the MTRFA Board in which they turned down Mrs. Hagen's request to extend the deadline for payment of leave of absence time and also required that if the payment is made it should be at full actuarial value. Rep. Erhardt noted Mrs. Hagen would be required to pay \$12,438.37 for which she would receive retroactive payments and an increase in benefits totalling \$27,849.91.

Rep. Knickerbocker referred members to an amendment, LCPR91-57. This amendment would require an administrative hearing on this issue. Discussion followed.

Rep. Knickerbocker moved amendment LCPR91-57. **MOTION FAILED.**

Ed Burek reviewed amendment LCPR91-62 which requires the payment of full actuarial value for the buyback; the individual would pay the employee and employer contribution with interest as required under the leave of absence agreement she signed and would require the school district to pay the difference between that amount and full actuarial value.

Rep. Knickerbocker moved amendment LCPR91-62. **MOTION FAILED.**

Rep. Knickerbocker moved H.F. 394. **MOTION FAILED.**

H.F. 223 (Bertram); S.F. 192 (Bertram): Judges; Provide for benefit reduction upon receipt of Social Security benefit.

Judge Nerengarden provided background on the issue and noted that this bill would prevent a judge's pension benefit from being reduced by the Social Security offset until the judge actually began to receive Social Security benefits.

Paul Groschen, MSRS Executive Director, testified that the Judge's Plan has two offsets. One offset is on the contribution side and one offset is on the benefit side. Judges who opted for Social Security coverage pay a very minimal amount into the Judges plan until they have satisfied their Social Security obligation. Mr. Groschen believes that if the Commission eliminates the Social Security benefit offset they should also eliminate the Social Security contribution offset. He supports a different bill.

Rep. Johnson requested that the Social Security offset be studied during the interim.

Rep. Johnson moved H.F. 223 be **LAID OVER.** **MOTION PREVAILED.**

The meeting adjourned at 10:00 A.M.


Jean Liebgott, Secretary