

MINUTES

Buyback Subcommittee
March 27, 1981
Room 118 State Capitol
8:00 to 10:00 A.M.

Sen. Spear, Chairman, opened the meeting.

PRESENT: Senators Spear, Frederickson, Renneke
Representatives Kaley, Reding Sarna

The chairman discussed procedure for handling the buyback bills on the agenda for this March 27, 1981 meeting. It was concluded the subcommittee will hear the bill explanations from the bill authors, no action will be taken at this meeting, and attempt to group the bills and come out with some policy decisions.

The following bills were discussed:

- SF 58 (Wegener); HF 202 (Welch) Purchase of Prior Service as County Commissioner
Sen. Wegener explained the bill. The amendment will be incorporated.
Mr. McBroom, County Board Commissioner explained his situation and is requesting to buy back service credit from 1/1/57 to 1/5/81. The county will pay the employer contributions. Present value of the buyback is in excess of \$15,000. An amendment is needed to recompute the benefit.
- SF 856 (Wegener); HF 679 (Wenzel) Purchase of Prior Service at Camp Ripley
Rep. Wenzel explained the bill and the problem. This involves a request for purchase of prior military service for the time from 4/1/50 to 2/21/53. No computation of the actuarial cost was presented. Mr. Kelleher stationed at Camp Ripley.
- SF 396 (Pillsbury); HF 558 (Kaley); extending the option for purchase of prior service credit by certain legislative employees--Nancy Mantarud and Joyce Van Guilder. Automatic buy backs for part time legislative employees was discussed.
- SF 913 (Pillsbury); authorizing the purchase of allowable service credit by a certain member of the teachers retirement association. Sen. Pillsbury explained that Mrs. Blackwood taught in the Wayzata public school system and also in the St. Louis Park public schools under a "limited exempt" status wherein the membership in the association was optional. The bill if passed would allow buyback of service for both teaching periods.
- SF 742 (Pillsbury); granting certain military service credit for teachers who were granted a leave of absence to enter military service. There are an unknown number of individuals involved.
- HF 422 (Kostohryz); authorizing certain persons to purchase prior service credit. Mr. Mergens was employed by the Department of Veterans Affairs for 16 months and requests entitlement to purchase prior service credit for service as a state employee for which he had not previously received service credit from the fund.
- SF 281 (Knutson); HF 324 (Metzen); authorizing certain police officers of the city of West St. Paul to change retirement coverage for future service, to purchase prior service credit and to receive a refund of certain member contributions.
- HF 247 (D. Peterson); SF 152 (Davies); relating to retirement; authorizing the purchase of prior service credit by certain court reporters.
Mr. Paul Ness, a court reporter, requests to buy back one year of time served in the military service so that he can retire this year instead of next year.
- SF 419 (C. Peterson); HF 438 (Sarna): Minneapolis teachers retirement fund; providing for the purchase of military service credit by certain members; authorizing an amendment to the articles of incorporation of the retirement fund.

SF 419 continued:

St. Clair Beeman asked for some stated policy. There is need for a general policy solution to this problem to apply to TRA as well.

HF 259 (Samuelson); relating to the city of Brainerd; service credit in the public employees police and fire fund for the fire chief. Bill allows a person currently employed as fire chief in Brainerd to receive service credit in the public employees police and fire fund for the period of service spent as an employee of the city of St. Paul and member of the St. Paul firefighters relief association by paying into the public employees police and fire fund an amount equal to the combined employer and employee contributions, based on actual salary paid, with interest thereon at the rate of six percent per annum. The St. Paul Fire Relief has no objection to the bill.

SF 126 (Solon); authorizing purchase of allowable service credit by certain members of the teachers retirement fund for prior service as nonpublic school teachers.

HF 207 (Gustafson); SF 135 (Solon); authorizing certain persons to purchase prior service credit. Bill is written for one person. The amount of the purchase shall be \$613.34, representing the balance of the purchase payable under an agreement made on June 22, 1961.

The subcommittee will meet again. The staff is to present alternatives. The subcommittee wants the full actuarial cost of the buyback--protection of the fund is the subcommittee goal. The staff is to present one bill to include all the buybacks. The bill will be presented to the full Commission for consideration.

Eleanor Diebel
Secretary