

# State of Minnesota \

## LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

February 12, 1982 Meeting  
Room 51, State Office Bldg.

### MINUTES

The chairman, Sen. Collin Peterson, opened the meeting.

PRESENT: Senators Peterson, Moe, Spear, Renneke  
Representatives Sarna, Rodriguez, Reding, Rice

#### HF 1735 (Pogemiller); SF 1639 (Spear): Hennepin County Supplemental, Phase Out of Program

L. Martin went over the memo and discussion followed.

The bill provides for the phase out of the Hennepin County Supplemental Retirement Program by discontinuing the program for any newly hired Hennepin County employees and by allowing existing participants and employees who become eligible to participate when they have credit for sufficient service to elect not to continue or commence participation. It also removes some restrictions upon taking a withdrawal benefit upon the termination of active employment prior to retirement.

Sen. Spear recommended HF 1735; SF 1639 to pass as amended. Passed

#### HF 1737 (Rodriguez); SF 1661 (Spear): Local Police and Salaried Firefighters Relief Associations; Disability Benefit Modifications

L. Martin went over the memo and discussion followed.

The bill, as amended by the author's amendment, would make a number of changes in the disability benefit coverage provided by the 51 local police and salaried firefighters relief associations.

The bill provides the raising of disability benefit levels for seven relief associations; permits recomputation of a disability pension into a service pension at normal retirement age; permits service credit for time on permanent disability if person is able to return to active duty; requires municipalities to make a reasonable effort to provide less hazardous duty positions; requires offsets from disability benefits in certain instances; provides for the establishment, organization and maintenance of the West St. Paul firefighters relief association.

Rep. Rodriguez moved the amendment as amended including offset concept. Passed

Rep. Rodriguez moved that the bill as amended be recommended to pass. Passed

#### HF 438 (Sarna); SF 419 (C. Peterson): Prior Service Bills

Karen Dudley went over memo and discussion followed.

This bill combines the various bills pertaining to buy-backs into an omnibus bill. The following eight bills and proposals are:

- 1) HF 438 (Sarna); SF 419 (C. Peterson): Minneapolis Teachers Retirement Fund, purchase of military service credit
- 2) HF ( ); SF 742 (Penny): TRA; granting military service for certain members
- 3) HF 1177 (Searles); SF 913 (Pillsbury): TRA purchase of service credit for a time of limited exemption for a certain member
- 4) HF 1358 (Welch); SF 1315 (Davis): MSRS; authorizing the purchase of service credit for time as a labor service employee
- 5) HF 1604 (Welker); SF 1816 (Kamrath): PERA; authorizing the purchase of service credit for services as County Attorney
- 6) HF 1425 (Elioff); SF 1360 (Dicklich): Buhl police relief, purchase of service credit for probationary service
- 7) HF ( ); SF (Moe): PERA; purchase of service credit with St. Paul Bureau of Health
- 8) HF ( ); SF (Renneke): MSRS Unclassified, prior intermittent service for certain member

Staff amendments "L" and "V" were approved.

Rep. Sarna moved that HF 438; SF 419 be recommended to pass as amended.

HF 1791 (Long); SF 1715 (Petty): City of Minneapolis; changes concerning the housing and redevelopment authority; permitting a certain employee to purchase service credit from MERF

Karen Dudley went over the memo and discussion followed.

The bill amends the law which provided for alternations in the structure of the Minneapolis housing and redevelopment authority. The bill provides permission for the assistant city coordinator to purchase prior service credit from the Minneapolis employees retirement fund for actual service with the Minneapolis housing and redevelopment authority from May 4, 1964 to June 4, 1975 and requires the the amount of buyback to be paid be the full actuarial cost of the increased benefit, calculated as the present value of the amount of additional service pension obtained.

The provision is in compliance with the current Commission policy regarding the amount to be paid for the purchase of prior service credit.

Tim Flaherty, City of Minneapolis, supports the bill for one person.

The staff amendment setting the expiration of the authority to buy-back prior service be July 1, 1983. Amendment approved.

Rep. Sarna moved the HF 1791; SF 1715 as amended be recommended to pass. Passed

HF 1796 (Kaley); SF 1727 (Frederickson): Second class city police relief associations, eliminating a dollar amount limitation on the payment of salaries to relief association officers

Karen Dudley went over the memo.

The bill strikes the \$500 limitation on salaries that can be paid to the officers of the relief associations of the second class city police relief associations. Bill is effective the day following final enactment.

Sen. Frederickson moved that SF 1727; HF 1796 be recommended to pass. Passed.

HF 1336 (Sarna); SF 1052 (C. Peterson): Highway Patrol; Benefit Increases and Modification of Refund Provisions

Karen Dudley went over the staff memo and discussion followed.

The bill provides for two benefit improvements and for certain conforming changes relating to refunds:

- 1) an increase in the benefit accrual rate for the 21st, 22nd, 23rd, 24th and 25th years of service from 2% to 2.5%;
- 2) extends survivors' benefit coverage to be payable at the time of death rather than when the deceased former member would have reached the age of 55, to the surviving spouse and dependent child or children of a former member and who before death had received a disability benefit due to sickness or an injury incurred off duty; and
- 3) refunds would be payable to the estates of former members.

A delete everything amendment to conform to amendments made by the 1981 Legislature to the law governing the Highway Patrol was approved.

HF 1335 (Sarna); SF 1053 (C. Peterson): Highway Patrol: Benefit Increases for pre-73 Retirees and Surviving Spouses

This bill was considered together with HF 1336; SF 1052. The bill provides for an annual 6% increase, effective each July 1, in the benefits paid to retirees or surviving spouses whose benefits were computed under the laws in effect prior to June 1, 1973.

HF 1335; SF 1053 was amended into HF 1336; SF 1052. The bill provides for the following: raises the employee contribution from 7% to 8.5%; increases the service credit accrual rate for the 21st through 25th years of service from 2% per year of service to 2.5%; increases benefits paid to pre-73 retirees by 6% per year; permits payment of certain surviving spouse benefits to surviving spouses of any former member receiving a disability benefit; makes technical changes to permit the payment of refunds to the estate of members who die without entitlement to any other benefit.

HF 1720 (Reding); SF 1568 (Spear): Recognizing Service Covered by Multiple Retirement Funds for Entitlement to a Disability Benefit

Karen Dudley went over memo and discussion followed.

This bill provides for the first time portability for disability benefits. The bill provides that service covered by any public pension fund or plan, other than volunteer firefighters, can be used as service credit for the vesting of a disability benefit in any of the funds currently covered by the combined service annuity provision, Section 356.30.

Rep. Sarna moved that HF 1720; SF 1658 be recommended to pass. Passed

HF 2237 (Gruenes); SF 2103 (Pehler) St. Cloud Firefighters; clarifying the meaning of prior enactments concerning medical and health insurance coverage

The bill amends portions of the special laws governing the St. Cloud firefighters, to clarify and resolve an inconsistency in prior laws concerning medical and health insurance coverage for members of the relief association.

The concept of this bill (not drafted) was approved by the Commission.

Eleanor Diebel  
Secretary