

February 17, 1982 Meeting  
Room 112 State Capitol

### MINUTES

The chairman, Sen. Peterson, opened the meeting.

PRESENT: Senators Peterson, Spear, Donald Moe, Earl Renneke, Dennis Frederickson  
Representatives Sarna, Reding, Rice, Kaley, Rodriguez

SF 1628 (Dicklich); HF 1697 (Elioff): Virginia Fire; Post Retirement Increase  
SF 2075 (Begich); SF 2060 (Johnson): Eveleth Police and Fire, Increase in Benefits

SF (Elioff); SF (Dicklich): Virginia police relief association; defining certain terms; providing for the governance of separate and distinct general and special funds; providing benefit improvements for certain participants and benefit recipients; validating adoption of police pension law for cities of the third class; repealing obsolete laws

Karen Dudley, Asst., went over the memo and discussion followed.

Rep. Sarna moved the "delete everything amendment" which incorporated all three of the above bills into it. Also an amendment clarifying that municipalities are not authorized to change benefits adopted as part of the 1980 legislation to phase-out the local police and salaried firefighters relief associations without further legislative approval was adopted.

Sen. Moe moved that the "delete everything amendment" be recommended to pass. Motion carried

HF 1701 (Minne); SF 1629 (Dicklich): Hibbing firefighters; authorizing increase in service pensions and survivor benefits

The bill provides increases of \$100 per month in the amount of benefits paid to retired firefighters who retired prior to September 1, 1972, and to surviving spouses. The family maximum benefits were also increased \$100 per month. Karen Dudley went over the memo.

Rep. Moe moved that SF 1629; SF 1701, be recommended to pass. Passed

HF 1948 (Swanson); SF 2133 (Lindgren): Richfield firefighters eliminating obsolete special law provisions; validating certain prior payments and actions.

The bill repeals special laws passed when Richfield was a village which are obsolete. Bill effective upon approval by the Richfield City Council

Rep. Kaley moved that HF 1948; SF 2133, be recommended to pass. Passed

SF 1723 (Ashbach); HF ( ): MSRS; Omitted Employee Contributions

Bill provides that after a certain period of time had elapsed from the point in time when the employing unit was to have deducted the employee contribution required by law, the employing unit, and not the employee, would become liable to pay the omitted amounts, plus any amounts due in lieu of interest. The bill is necessary to permit MSRS to recover omitted deductions from the employer in cases in which the omission has been for over a two month period; also to provide post retirement adjustments to retirees from the Constitutional officers retirement plan.

Rep. Rodriguez moved that concept of an amendment to be drawn by staff to cover the problems.

(The bill was incorporated into HF 438 in Conference Committee)

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HF 1591 (Wenzel) MSRS: Post Retirement Adjustment for certain persons  
Failed

HF 1590 (Wenzel): City of Little Falls, extending a certain expired deferred compensation

Rep. Rodriguez recommended HF 1590 to pass. Passed  
(HF 1590 (Wenzel) was amended into HF 917 on 3/10/82 in the Senate)

SF 1473 (Moe, D.M.); HF ( ): General: Establishment of a Uniform Defined Contribution Retirement Plan

The bill establishes a different retirement benefit plan for public employees newly hired after the effective date of the act. The new benefit plan is a defined contribution retirement plan (money purchase plan) to replace the current defined benefit plan (final average formula plan) in effect for the various Minnesota public employee pension funds.

The staff memo pointed out some of the aspects of the transition from one benefit plan to another type of plan: (1) appropriate manner to allocate and change the administrative costs of the new plan; (2) appropriate way to amortize the current unfunded accrued liabilities while the existing benefit plan is being phased out; appropriate way to handle the payment of contributions for leave of absence periods, like military service leaves.

Sen Moe explained that the defined contribution retirement plan is a more fair system than in effect today.

Eleanor Diebel  
Secretary