

MINUTES

March 15, 1983 Meeting

Room 118 Capitol

10:00 A.M. - 12:00

The chairman, Sen. Peterson, opened the meeting.

PRESENT: Senators C.C. Peterson, Earl Renneke, Dennis Frederickson
Representatives Frank Rodriguez, Dick Wigley, John Clawson

HF 430 (Ludeman); SF 475 (DeCramer): Tracy Volunteer

Sen. DeCramer introduced the assistant Fire Chief, Lloyd Whaley, who explained the legislation.

Karen Dudley went over the staff memo.

The bill would permit the Tracy Volunteer Firefighters Relief Association to purchase an annuity contract for a retiring member who qualifies for a service pension, thus enabling the retiring volunteer to defer taxation of the annuity until a later time.

Rep. Wigley moved that HF 430, SF 475 be recommended to pass. Motion carried.

HF 396 (Begich); SF 370 (Doug Johnson): Eveleth Joint Police and Fire Trust Fund Benefit Increase

Rep. Begich appeared for the bill and explained the bill.

Karen Dudley went over the staff memo.

The bill requests retroactive increases of \$10 a month for 23 retirees and surviving spouses of the trust fund. Increases would be retroactive to January 1, 1983. Cost to the city is \$7,498.

Sen. Renneke moved that HF 396; SF 370 be recommended to pass. Motion carried

HF 597 (Marsh); SF 316 (C.C. Peterson): MSRS; Adding a Correctional Employee Plan Member to the Board

Karen Dudley went over the staff memo.

Rep. Marsh explained the bill.

The bill, requested by the MSRS board of trustees, makes one major change in the law governing MSRS by increasing the size of the board of trustees by adding a representative of the correctional employees.

Sen. Renneke moved that HF 597, SF 316, be recommended to pass. Motion carried

HF 652 (Sarna); SF 660 (C.C. Peterson): Pension Funds: Moneys for Exclusive Benefit of Members

Karen Dudley went over the memo. Bill contains language required by IRS so that the various Minnesota pension plans can be declared as "qualified plans" pursuant to Section 401(a) of the Internal Revenue Code. A new section to Chapter 356 states: 1) all moneys are to be maintained for the exclusive benefit of the members and their beneficiaries; and 2) provides for the distribution of funds if the plans are terminated.

Rep. Rodriguez moved the amendment to include the teachers' retirement funds. Motion carried

Sen. Renneke moved that HF 652; SF 660 be recommended to pass. Motion carried.

HF 638 (Minne); SF 573 (Dicklich): Authorizing survivor benefit increases for Hibbing Police

Jim Heidelberg explained the bill. The bill increases the surviving spouse benefit from \$150 per month to \$250 per month; and the benefit for surviving children from \$180 to \$280 per month. The increase in liability would be \$88,000.

Rep. Rodriguez moved that HF 638; SF 573 be recommended to pass. Motion carried.

HF 586 (Stadum); SF 579 (R.D. Moe): Increasing certain benefit provisions for Crookston Firefighters Relief Association

Karen Dudley went over the staff memo. The bill amends certain sections of Laws 1971, Chapter 51, to provide Crookston firefighters with several benefit increases:

- 1) Service pensions to be figured on base salary rather than on individual's salary
- 2) Pensions would be fully escalated--retired firefighter would receive same percentage increase as the working firefighter receives in salary
- 3) For each year beyond 20 years, each firefighter would receive a longevity increase of 1.5%
- 4) Surviving spouses to receive an increase in pensions to a minimum of \$300 per month, escalated
- 5) Duty death benefit to legal heirs is raised from \$500 to \$1,000
- 6) Non-duty death benefit paid to heirs is raised from \$100 to \$500

Because there were no cost estimates on this bill it was laid over, at the request of the author, Rep. Stadum.

HF 384 (F. Rodriguez); SF 437 (Renneke): Requiring annual valuations for local police and salaried firefighters, deleting requirement of every fourth year experience studies

Jim Heidelberg went over the memo and discussion followed. The bill amends the firefighters' relief association guidelines act. It provides:

- 1 - annual valuations rather than every other year valuations;
- 2 - elimination of quadrennial experience studies;
- 3 - removal of obsolete language

Rep. Rodriguez moved the language of staff amendment to restore language for the Bloomington Fire which was inadvertently eliminated. Motion carried.

Rep. Rodriguez moved that HF 384, SF 437 as amended be recommended to pass. Motion carried.

HF 251 (F. Rodriguez); SF 294 (Frederickson): Local Police and Firefighters Modifying the Governance of the Trust Funds of Phased-out Relief Assns.

Karen Dudley went over the memo and discussion followed. The proposed legislation would provide for the management of the trust fund by recipient-selected trustees. Once the number of recipient beneficiaries drops below five, then the municipality is permitted to select the remaining trustees.

Staff amendment A gives the municipality the right to approve the trustees selected by the recipient beneficiaries.

Rep. Rodriguez moved Amendment A. Motion carried.

Rep. Rodriguez moved that HF 251; SF 294 as amended be recommended to pass. Motion Carried

HF 631 (Ellingson); SF 272 (Pogemiller): Hennepin County Supplemental Retirement Fund; authorizing employees to withdraw from participation

Two changes in the law are made by this bill: (a) within 180 days after the passage of this bill, any current participant may elect to terminate participation; (2) any employee who is no longer participating may redeem all shares credited to his account. The bill is intended to help speed up the phase-out of the Supplemental Plan.

Staff amendment is a clarifying amendment. Rep. Rodriguez moved the clarifying amendment. Motion carried.

Rep. Clawson moved that HF 631, SF 272 as amended be recommended to pass. Motion carried.

Minutes of March 15, 1983 Meeting continued:

SF 436 (C.C. Peterson); HF 601 (F. Rodriguez) PERA Administrative Bill

Jim Heidelberg went over the memo and discussion followed.

The bill amends Chapter 353, which pertains to PERA, by making changes in administrative procedures.

Rep. Rodriguez moved that SF 436; HF 601 be recommended to pass. Motion carried

SF 582 (C.C. Peterson); HF 706: Providing Refunds to PERA Members after a Layoff of 120 Calendar Days

This bill would allow employees in certain local governments to obtain refunds after they have been laid off without sacrificing civil service rights. The bill allows a laid off worker to claim a refund without having to resign and sacrifice certain civil service rights.

Sen. Frederickson moved that SF 582; HF 706 be recommended to pass. Motion carried

HF 573 (Scheid); SF 564 (Jude): Amending Brooklyn Park Volunteer Firefighters Law.

Jim Heidelberg went over the memo and discussion followed.

Brooklyn Park volunteer firefighters relief association is governed by the general state law and does not need special legislation for a benefit increase. The bill places Brooklyn Park under the general law governing volunteer firefighters' relief associations, 424A.

Sen. Frederickson moved that HF 573, SF 564 be recommended to pass. Motion carried.

HF 233 (Sarna); SF 112 (C.C. Peterson): Pre-73 Increases

Karen Dudley went over the memo and discussion followed.

16,000 recipients will be provided lump sum post retirement payments by this bill. The 1983 payment will equal \$16 per year of allowable service and the 1984 payment will be \$17 per year of allowable service. Payment will be made ^{to} retirement annuitants, disability benefit recipients, and surviving spouse recipients from the following funds: PERA, PERA-P&F, TRA, MSRS, Highway Patrol, Metropolitan Transit Commission-Transit Operating Division and the Minneapolis Municipal Retirement Fund under the \$3 bill and annuity program. The total appropriation for this lump sum post retirement payment is \$10,750,000.

Staff Amendment A removes the need for the 1983 audit. Rep. Rodriguez moved Amendment A. Motion carried.

Staff Amendment B inserts the required dollar amounts for each fund. Sen. Frederickson moved Amendment B. Motion carried.

E. Diebel
Secretary