

April 5, 1983 Meeting
Room 120 Capitol
1:00 to 3:00 P.M.

MINUTES

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

PRESENT: Senators C.C. Peterson, Frederickson, Renneke, Spear,
Donald Moe
Representatives John Sarna, Dick Wigley, Metzen, Clawson,
Rodriguez

HF 759 (Simoneau); SF 767 (Petty): Purchases of Prior Service Credit by Certain Legislative Employees

The bill is written for the purchase of prior service credit by legislative employees. The bill with staff amendment entitles any current or former legislative employee who has not withdrawn from the unclassified program to purchase service credit for prior intermittent legislative time. This may be purchased either with the House, Senate or joint legislative agency or commission.

The current Commission policy on calculation of payment, which is current rates applied to current salary, governs the purchase. The current employer is authorized to make the matching employer contribution.

Rep. Metzen moved the staff amendment. Motion carried

HF 759; SF 767 was recommended to pass. Motion carried

HF 546 (Sviggum); SF 720 (Renneke): Purchase of Prior Service Credit

The March 29th meeting of the Commission instructed the staff to submit a new omnibus bill for the purchase of prior service, excluding the authorization for various fund members to purchase military service credit.

Karen Dudley went over the memo and discussion followed. Section 1 authorizes certain individuals or classes of individuals to purchase service credit for certain types of public service, Section 2 adds a new section to Chapter 356 to govern the calculations of service credit and to set deadlines for those purchases. Section 3 extends the deadlines contained in the 1981 and 1982 bills. Section 4 repeals the deadline contained in another purchase of prior service credit bill. Section 5 sets the effective date as the day following final enactment.

Rep. Clawson moved to strike Subdivision 4, the strike provision. Rep. Clawson moved that HF 546, SF 720 as amended be recommended to pass. Motions carried

HF 764 (Ellingson); SF 1175 : Hennepin County Park District Police State Aid

Jim Heidelberg went over the memo.

The bill would include park district police in state police aid distributions. The Hennepin County Park Reserve District park rangers are post certified peace officers. They do not receive state aid on their behalf. Other park district police and park rangers units that employ certified officers would be included.

Rep. Clawson moved that HF 764, SF 1175 be recommended to pass. Motion carried.

HF 792 (Stadum); SF 659 (R. Moe): Purchase of PERA-P&F Credit by Former Crookston Police Officer

Karen Dudley went over memo.

This bill, language for a purchase of PERA-P&F credit by a former Crookston police officer, was rewritten to conform with the current policy re the calculation of buyback payments. The bill requires the payment of the full actuarial value of the service credit to be purchased in PERA-P&F. Under current law governing the purchase of prior service credit, Laws 1982, Chapter 578, the city is authorized to pay the difference between the employee's minimum contribution and the total amount calculated as payment for the purchase.

Rep. Rodriguez moved the amendment which describes the amount and manner of payment. Motion carried.

Sen. Donald Moe moved that HF 792, SF 659 be recommended to pass as amended. Motion carried.

HF 160 (Sarna); SF 147 (C.C. Peterson): Setting MSRS Contribution Rates

Jim Heidelberg went over the memo and discussion followed.

The bill sets MSRS contribution rates for the General Employee and Correctional plans. The contribution rates proposed are the levels the MSRS actuary estimates are necessary to fully fund the two plans.

Rep. Rodriguez moved to amend by deleting sections 1 and 2, and on page 2 line 4, delete 4.28 and insert 4.4; also on page 2, lines 7 and 18, delete January 18, 1983 and insert "the day following enactment"; page 2, line 24, delete "1.34" and insert "1.3". Motion carried.

The bill will only apply to the correctional employees.

Rep. Rodriguez moved that HF 160, SF 147 as amended be recommended to pass. Motion carried

HF 815 (F. Rodriguez); SF 770 (Frederickson): Modifying a Limitation on Public Employees Retirement Annuities

Karen Dudley went over the memo.

The bill removed the word "final" so that any highest salary would be the limit of the annuity payment. Problems occurred when a member's salary decreased late in his/her career. The bill removes the penalty on some basic members whose salaries decreased late in their working career rather than increased.

Potential amendments to HF 815, SF 770 to transform it into a Commission bill were drafted. This was an attempt to clarify certain provisions of retirement law. These amendments were also presented to the Commission by Karen Dudley.

The bill was laid over for future study.

HF 704 (F. Rodriguez); SF 581 (C.C. Peterson): Providing an Additional Surviving Spouse Optional Annuity After Retirement

Jim Heidelberg went over the staff memo. The bill provides an additional optional annuity for a surviving spouse of a PERA or a PERA-P&F member. The surviving spouse will receive an annuity equal to one-half of the monthly annuity received by the member if the retiring member did not choose a joint and survivor annuity. The bill is a benefit increase.

The bill was laid over.

April 5, 1983 Minutes continued:

HF 705 (F. Rodriguez); SF 434 (C.C. Peterson): PERA, PERA-P&F
Increasing Retirement Annuity Formulas

The bill increases the retirement annuity formulas for PERA Basic and Coordinated members and for PERA-P&F members. The Basic formula is increased from 2.0% for each of the first 10 years and 2.5% for each additional year to 2.5% for each year of service. The Coordinated formula is increased from 1.0% for each of the first 10 years and 1.5% for each additional year to 1.5% for each year of service. PERA-P&F is increased from 2.5% for each of the first 10 years and 2.0% for each additional year to 2.5% for each year of service.

Staff memo pointed out that adoption of this proposal would ignore the Commission's principle of uniformity, unless the same proposals would be approved for the two other statewide funds.

Rep. Rodriguez moved to strike Section 1 out of the bill. Motion carried.

Section 1 of the bill increases the retirement annuity formula for the Basic and the Coordinated members which is the part which was taken out of the bill by motion of Rep. Rodriguez.

Rep. Sarna moved that HF 705, SF 434 as amended be recommended to pass. Motion carried

Eleanor Diebel
Secretary