

Benefit Adequacy Subcommittee
December 19, 1983
Room 112 Capitol
1:00 P.M.

Sen. Peterson, chair, opened the meeting.

PRESENT: Senators Peterson, Allan Spear
Representatives Rodriguez, Sarna, Metzen

Jim Heidelberg, Asst. Exec. Sec., showed charts re benefit adequacy comparisons and differences, cost considerations, comparisons with other states, etc. at follows:

1. Major Differences in Benefit Structure of the Basic Plans in TRA, PERA and MERF
2. Further Benefit Comparisons with Other States
3. Benefit Levels if Minnesota Coordinated Plans Increased to Match Median of Other State Plans
4. Cost Considerations
5. Differences Between Public and Private Plans
6. Health Insurance Benefits for Retirees

Requests for further information:

Do calculations on the majority of people who are going to retire rather than the extreme, such as 30 years. (Sarna)

(Peterson) Charts with 20 years service
If we decide to replace 60%, how much does that cost?
Wants to compare 15 and 20 year employee
How much the state was paying, start working on the whole cost comparison
(Take the number of teachers the state has and divide the employee and employer contributions into that and come up with a figure. How many teachers? How much did you contribute to the teachers last year?

Chart #13 - Total Retirement Income as Percent of Final Annual Salary
Age 65; 30 years service; \$20,000 final salary, 6 percent salary history.

Peterson wants to see this at 20 and 10 years. Wants to see California at 20 years service.

Whether the length of service for retirees in Minnesota is comparable to the national average, what is it in California, Kentucky, etc.

Find out how 13.4% Social Security is broken down.
Would like to see it laid out so questions can be asked.

How many states allow pension benefits to be negotiated.

How many states where employee does not pay.

Do private plans favor early retirement? (numerous articles about various early retirement incentives)

How many teachers get Social Security some other way?

Basic plan members are eligible for Social Security from some other source.

What if the state decided to pay health insurance?

Check chart #17

Peterson: Find out about negotiating pension benefits

Items for next meeting (review)

1. Health insurance, Do they bargain for these benefits?
2. Look at 20 years service and the average age that people are retiring at and base figures on that.

Eleanor Diebel
Staff Secretary