

State of Minnesota \

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

March 13, 1984 Meeting
Room 81 - 12:00 Noon

MINUTES

Rep. Sarna, Chair, opened the meeting.

PRESENT: Representatives Sarna, Metzen, Wigley, Rodriguez
Senators Renneke, Collin Peterson, Spear, Frederickson

HF 1427 (Simoneau); SF 1390 (Frank): Permit local P&F and volunteers to invest in mutual funds

Karen Dudley went over the staff memo. The bill extends the authority of police and fire funds to invest in mutual funds from 20 percent to 75 percent. This bill does not change the investment authority of the police and fire funds as much as it provides them with better vehicles in which to package their investments.

Rep. Rodriguez moved that HF 1427; SF 1390 be recommended to pass. Passed

HF 1575 (Swanson); SF 1512 (Freeman): 2d & 3d class city firefighters; reduce length of marriage requirement

The bill reduces the length of marriage requirement for eligibility for a surviving spouse benefit from three years to one year prior to retirement of the members for second class city firefighters associations in Bloomington, Fridley, Richfield, St. Louis Park, Faribault, Albert Lea, Red Wing, West St. Paul.

Rep. Metzen moved that HF 1575; SF 1512 be recommended to pass. Passed

HF 1542 (Sarna); SF 1416 (C.C. Peterson): IRS Conformance Bill

This bill amends Section 356.61 with the language specifying how benefit limitations are calculated under Section 415 Internal Revenue Code. The bill is required by the Internal Revenue Service in order that Minnesota public plans can retain their qualified status.

Rep. moved that HF 1542; SF 1416 be recommended to pass. Passed

HF 1212 (L. Carlson); SF 1132 (C.C. Peterson): Increase in post retirement adjustments for retired Minneapolis Teachers

The bill increases the post retirement adjustments for retired Minneapolis teachers. The cost of the increase will be about \$0.9 million annually. The adjustments will be paid for directly out of the assets of the fund. The bill is a benefit increase and must be approved by the Legislature.

Rep. Metzen moved that HF 1212 (L. Carlson); SF 1132 (Peterson) be recommended to pass. Passed

Jim Heller, Minneapolis Teachers, advised the Commission that they do not have Coordinated members on retirement, but that they will give the same benefit to any coordinated member who retires; will get the same benefit as the Basic member.

HF 1539 (Sarna); SF 1414 (C.C. Peterson): Change in Contribution Rates for Participants in the TRA Variable Annuity Program

The bill provides for the retroactive change in the contribution rates in Section 354.62 for approximately 100 participants in the TRA Variable Annuity Program.

Rep. Metzen moved to amend HF 1539 and SF 1414 as follows: Page 1, line 17, delete everything after "to" and insert: "one-half of the employee rates provided for in section 354.42, subdivision 2." Page 1, delete line 18; Page 1, line 19, delete everything before the period." Motion carried

Rep. Metzen moved to amend HF 1539; SF 1414 as follows: Page 2, after line 19, insert: "plus interest which would have been earned if the contributions would have been credited to the member's variable account," Motion carried

Rep. Metzen moved that HF 1539; SF 1414 as amended be recommended to pass.
Passed

HF ; SF 1434 (C.C. Peterson): Amendments to Retirement
Laws in Conformance with Laws Relating to Child Support Enforcement
Karen went over the staff memo.

The bill amends the laws of all Minnesota pension plans to bring those laws into conformance with the provisions of Laws 1983, Chapter 308, Section 21, to provide an order to pay child support or maintenance payments is binding on the employer, trustee or other payor of funds.

SF 1434 was laid over.

HF 1403 (Vellenga); SF 1387 (Lantry); and SF 1573 (Knaak): Retroactive
Transfer of Credit to PERA-P&F by Certain Ramsey County Sheriff's
Dispatchers.

^{Dudley}
Karen/went over the staff memo. The bill entitles certain employees of the Ramsey County Sheriff's Department to transfer pre-1970 service from PERA to PERA-P&F. The bill is necessary to correct a problem caused by lack of notification by the employer to employees. Sen. Lantry spoke on the bill. Sheriff Zacharias told the Commission that the bill affects two people who will be retiring very shortly.

Sen. Frederickson moved that HF 1403; SF 1387 be recommended to pass. Passed

HF 1550 (F. Rodriguez); SF 1607 (C. Peterson): Proportional vesting for
certain employees

Karen Dudley explained the bill. The bill adds a new subdivision to PERA law to provide proportional vesting for certain members employed by public hospitals. The member would have to have had at least five years of service credit to receive proportional vesting.

Rep. Rodriguez moved that HF 1550; SF 1607 be recommended to pass. Passed

HF 1273 (Rodriguez)SF : Salaried Firefighters Relief Associations,
Vesting Upon Layoff

Karen reviewed staff memo. Bill amends the laws governing local police and salaried firefighters relief associations generally, to provide that if a firefighter with ten or more years of service is "laid off", under certain limited circumstances, the member shall be entitled to a proportional service pension at the time the member would have been eligible for a service pension had the member remained employed.

The bill was laid over.

Eleanor Diebel
Secretary