



November 12, 2009
Room 112 Capitol

6th Interim Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Senator Don Betzold, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 11:05 a.m.

Commission Members Present:

Representatives Mary Murphy, Michael V. Nelson, Steve Smith, and Paul Thissen
Senators Don Betzold, Ann Lynch, Mary A. Olson, and Julie A. Rosen

Commission Members Absent:

Representative Phyllis Kahn and Senator Sandra L. Pappas

Agenda Items

2. Report on the retention of a Commission auditing/reviewing actuary.

Mr. Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, informed members that a revised draft contract has been sent to Milliman and to Tom Bottern, Senate Counsel, and Mark Shepard, House Research for review. When finalized, Sen. Betzold will sign the contract on behalf of the Commission.

3. S.F. 889 (Betzold); H.F. xxx, Sections 1-10 (S0889-E1), as amended on July 8, 2009: MSRS-Unclassified; Changes in membership transfer authority.

Mr. Martin reviewed the staff memo and policy issues raised by the draft engrossment.

Mr. David Bergstrom, Executive Director, MSRS, testified in support of the bill and distributed handout materials. Mr. Bergstrom indicated that the MSRS board is open as to which plan is the default plan, and suggested leaving the default plan as is and giving future hires a time period to decide.

Mr. Martin reviewed the potential amendments.

Rep. Thissen moved to amend Amendment S0889-11A as follows: page 1, line 20, insert "seven" into the blank. **MOTION PREVAILED.**

Rep. Thissen moved Amendment S0889-11A, lines 1.1-1.21, as amended. **MOTION PREVAILED.**

Rep. Thissen moved Amendment S0889-12A. **MOTION PREVAILED.**

Mr. Howard Bicker, Executive Director, State Board of Investment, testified that because MSRS-General increased employee contribution rates (currently 4.75%) and MSRS-Unclassified did not (currently 4%), when an MSRS-Unclassified member transfers to the general plan the member must make up the difference in the employee contributions. Mr. Bicker suggested the Commission consider having the same contribution rates for the two plans.

Mr. Martin indicated that staff would prepare a new engrossment, and would also prepare amendments to address members' concerns regarding legislator transfers from MSRS-Unclassified to MSRS-General, legislator combined service annuity concerns, and contribution rate uniformity.

1. Approval of October 14, 2009, Commission meeting minutes.

Rep. Nelson moved approval of the October 14, 2009, meeting minutes. **MOTION PREVAILED.**

4. S.F. xxx; H.F. xxx (LCPR10-003): MnSCU; Administrative bill.

Mr. Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill.

Mr. Gary Janikowski, Assistant Director of Personnel, MnSCU, testified in support of the bill.

Mr. Bicker testified that the State Board of Investment staff is supportive of the bill.

Mr. Russ Stanton, Director of Governmental Relations, Inter-Faculty Association, testified that the IFO has not yet reviewed the proposal and does not yet have a position.

The bill was laid over.

--The meeting recessed at 12:40 p.m.--

Sen. Betzold called the meeting back to order at 1:00 p.m.

5. S.F. xxx; H.F. xxx: MSRS; Administrative bill.

Mr. Burek reviewed the staff memo and policy issues raised by the bill.

Mr. Bergstrom testified in support of the bill and apologized for not getting the federal letter to staff.

Mr. Burek reviewed the potential amendments.

Mr. Bergstrom testified in support of Amendment LCPR10-005-9A and in opposition to -5A.

Ms. Mary Vanek, Executive Director, PERA, testified in support of reemployed annuitant insurance withholding for PERA annuitants.

The bill was laid over.

6. S.F. xxx; H.F. xxx (LCPR09-071): Statewide and major local retirement plans; Deadlines for filing annual actuarial valuations and quadrennial experience studies.

This item was not heard.

Adjournment

The meeting adjourned at 1:40 p.m.