

Legislative Commission on Pensions and Retirement

55 State Office Building

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St. Paul, MN 55155-1201

HOUSE MEMBERS

Michael V. Nelson, Vice Chair
Tim O'Driscoll, Secretary
Kaela Berg
Luke Frederick
Kaohly Her
Mary Murphy
Jordan Rasmusson

SENATE MEMBERS

Julie A. Rosen, Chair
Nick A. Frentz
Jeff R. Howe
John R. Jasinski
Sandra L. Pappas
Jason Rarick
David H. Senjem

COMMISSION STAFF

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May 4, 2021

REMOTE MEETING

MINUTES

Call to order:

Senator Julie Rosen called the meeting to order at 5:05 p.m. The meeting was conducted through Zoom and broadcast via YouTube.

Commission Members Present:

Representatives Berg, Frederick, Her, Murphy, Nelson, O'Driscoll, and Rasmusson
Senators Frentz, Howe, Jasinski, Pappas, Rarick, Rosen, and Senjem

Agenda Items

Approval of March 23, 2021, meeting minutes

Sen. Senjem moved approval of the March 23, 2021, meeting minutes. **MOTION PREVAILED.**

Approval of Appendix B to the Commission's Standards for Actuarial Work

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, reviewed Appendix B.

Mark Schulte, Consulting Actuary, Van Iwaarden Associations, reviewed and provided background information on the appendix.

Sen. Frentz moved approval of Appendix B to the Commission's Standards. **MOTION PREVAILED.**

SF 2405 (Rosen); HF 2514 (O'Driscoll): MSRS Unclassified; Extends the grandfather provision for the use of factors effective in 2016 in computing annuities for retirees who are at least age 63 or have at least 26 years of service

Chad Burkitt, Analyst, Legislative Commission on Pensions and Retirement, reviewed the bill and amendment S2405-2A.

Rep. O'Driscoll moved amendment S2405-2A. **MOTION PREVAILED**, the amendment was adopted.

Rep. O'Driscoll moved SF 2405 / HF 2514, as amended, be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski			

Members voting NAY:

Rep. Murphy

There being 13 ayes and one nay, the **MOTION PREVAILED.**

SF 1452 (Frentz); HF 1291 (Murphy): Judges Plan; Reduces the postretirement adjustment and eliminates the triggers that increase the postretirement adjustment upon attainment of specified funding

Mr. Burkitt reviewed the bill and staff summary.

Erin Leonard, Executive Director, Minnesota State Retirement System, testified in support of the bill.

Sen. Frentz moved SF 1452 / HF 1291 be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED.**

SF 2485 (Bigham, Pappas, Rosen): Establishes a working group to consider changes to the pension benefits for 911 telecommunicators

Sen. Karla Bigham presented and testified in support of her bill.

Darlene Pankonie, ENP | 9-1-1 Communications Center Division Manager, Washington County Sheriff's Office, testified in support of the bill.

Mr. Burkitt reviewed the bill and the staff memo.

Doug Anderson, Executive Director, Public Employees Retirement Association (PERA), described the differences between the PERA general plan and the PERA correctional plan.

Erin Leonard, Executive Director, Minnesota State Retirement System (MSRS), described the differences between the MSRS general plan and the MSRS correctional plan.

Sen. Pappas moved to amend SF 2485 on page 2, line 12, to delete January 15 and insert March 1.
MOTION PREVAILED.

Sen. Pappas moved SF 2485, as amended, be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED.**

2021 Omnibus Pension & Retirement Bill

Delete-Everything Amendment S1712-1A

Ms. Lenczewski reviewed delete-everything amendment S1712-1A, and referred members to the narrative summary, the detailed section-by-section summary, and the list of the source bills.

Amendment S1712-3A, effective date change requested by MSRS

Mr. Burkitt reviewed amendment S1712-3A.

Sen. Pappas moved amendment S1712-3A.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Amendment S1712-5A, extends retroactive service credit purchases for H-1b visa holders

Susan Lenczewski reviewed amendment S1712-5A.

Krisann McMahan, Retirement Programs Manager, Human Resources, University of Minnesota, testified in support of the amendment.

Michael D. Volna, Associate Vice President and Assistant Chief Financial Officer, University of Minnesota, testified in support of the amendment.

Sen. Senjem moved amendment S1712-5A.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Amendment S1712-8A, to delete Article 5, Section 9

Ms. Lenczewski reviewed Amendment S1712-8A.

State Auditor Julie Blaha testified that she is not opposed to the amendment.

Sen. Howe moved amendment S1712-8A.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Amendment S1712-7A, establishment of a supplemental state aid work group

State Auditor Julie Blaha reviewed and testified in support of the amendment.

Rep. Nelson moved amendment S1712-7A.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Amendment S1712-2A, technical clarifications and corrections

Ms. Lenczewski reviewed the amendment and staff summary.

Auditor Blaha testified in support of the amendment.

Nelson moved amendment S1712-2A.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Staff authorization to make any necessary technical corrections

Rep. Nelson moved to authorize staff to make any necessary technical corrections to the omnibus bill.
MOTION PREVAILED.

FINAL ACTION ON THE 2021 OMNIBUS PENSION AND RETIREMENT BILL

Rep. Nelson moved amendment S1712-1A, as amended.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Rep. Nelson moved SF 1712 / HF 1758, as amended, be adopted as the 2021 Omnibus Pension and Retirement bill.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY:

There being 14 ayes and zero nays, the **MOTION PREVAILED.**

Report on the LCPR Study of Postretirement Adjustments (COLAs)

Ms. Lenczewski reviewed Amendment COLA-2A.

Mr. Burkitt reviewed the statutory mandate for the study.

Rep. Rasmusson moved Amendment COLA-2A. **MOTION PREVAILED**, the amendment was adopted.

Ms. Lenczewski reviewed the two motion options for the report.

Rep. Nelson moved submission of the "Report on the LCPR Study of Postretirement Adjustments (COLAs)" as prepared by Commission staff, as amended, to the legislature. **MOTION PREVAILED.**

Adjournment

The meeting adjourned at 7:15 p.m.