

Legislative Commission on Pensions and Retirement

600 State Office Building

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St. Paul, MN 55155-1201

HOUSE MEMBERS

Representative Kaohly Vang Her, Chair
Representative Tim O'Driscoll, Secretary
Representative Kaela Berg
Representative Ethan Cha
Representative Danny Nadeau
Representative Michael Nelson
Representative Dan Wolgamott

SENATE MEMBERS

Senator Nick A. Frentz, Vice Chair
Senator Jeff R. Howe
Senator Erin P. Murphy
Senator Carla J. Nelson
Senator Sandra L. Pappas
Senator Jordan Rasmusson
Senator Judy Seeberger

COMMISSION STAFF

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March 22, 2023

Room 120, State Capitol

MINUTES

Call to order:

Chair Her called the meeting to order at 6:03 p.m.

Commission Members Present:

Representatives Her, Berg, Cha, Nadeau, Nelson, O'Driscoll, Wolgamott
Senators Frentz, Howe, Nelson, Murphy, Pappas, Rasmusson, Seeberger

Agenda Items

Approval of meeting minutes

Sen. Frentz moved approval of the March 20, 2023, meeting minutes. **MOTION PREVAILED.**

2023 Pension and Retirement Policy Bill, Delete- Everything Amendment A23- 0092 to HF2950 (Her); SF 3016 (Frentz).

Chair Her moved delete-everything amendment A23-0092. **MOTION PREVAILED.**

Amendment A230092-1A: Establishing a work group on IRAP to TRA transfers

Chair Her moved amendment A230092-1A.

Rep O'Driscoll moved to amend amendment A23-0092, as follows:

Page 30, after line 22, insert:

"(5) require an annual report to the Legislative Commission on Pensions and Retirement from the appropriate human resources manager at Minnesota State Colleges and Universities and the executive director of the Teachers Retirement Association on the number of employees who elected a transfer during the prior twelve-month period under the legislation and, for each employee, the cost of the transfer to the employee and Minnesota State and the actuarial cost of the employee's pension benefit at the time of the transfer as calculated by the Teachers Retirement Association."

Chair Her amended her motion to incorporate the O'Driscoll amendment.

Jay Stoffel, Executive Director, Teachers Retirement Association, testified in opposition to lines 2.3 and 2.4, that TRA needs to be made whole in these transfers so the other members of the plan do not subsidize the payments, and gave an example of the effect of less than full actuarial value payments.

Sen. Rasmusson moved to add the following paragraph after the incorporated O'Driscoll language:

"(6) must not increase the unfunded liability of the Teachers Retirement Association."

MOTION PREVAILED.

Derek Hughes, Minnesota State, testified that they support the amendment; however Minnesota State does not believe that it should be accountable to paying the unfunded liability portion of the cost and that the bill as written still provides the opportunity to have that conversation.

Doug Anderson, Executive Director, Public Employees Retirement Association (PERA), agreed with Mr. Stoffel's example.

Chair Her renewed her motion on Amendment A230092-1A incorporating the O'Driscoll motion, and as further amended by the Rasmusson motion. **MOTION PREVAILED.**

Amendment A230092-2A: TRA and St. Paul Teachers; Extending the time period for purchasing service credit for periods of military service.

Sen. Howe moved Amendment A230092-2A. **MOTION PREVAILED.**

Testimony on the delete-everything amendment, as amended:

Doug Anderson, Executive Director, Public Employees Retirement Association (PERA), testified in support of the PERA provisions in the bill.

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

Jay Stoffel, Executive Director, Teachers Retirement Association (TRA), testified in support of the TRA provisions in the bill.

Phillip Tencick, Executive Director, St. Paul Teachers Retirement Fund Association (SPTRFA), testified in support of St. Paul Teachers provisions in the bill.

Rep. Her moved to authorizing staff to make any necessary technical corrections. **MOTION PREVAILED.**

Rep. Her moved House File 2950 and Senate File 3016, as amended, be recommended as the 2023 Pension and Retirement Policy Bill and this recommendation be forwarded to the House and Senate committees of jurisdiction. **MOTION PREVAILED.**

Adjournment

The meeting adjourned at 6:55 p.m.