

Legislative Commission on Pensions and Retirement  
June 10 and 11, 1976 Meetings  
Room 112, State Capitol

MINUTES

June 10, 1976 Meeting

The chairman, Rep. Don Moe, opened the meeting.

PRESENT: Senators Ogdahl, Mel Hansen, Stokowski, Gearty  
Representatives Don Moe, Beauchamp, Biersdorf, Patton

Also present: Dr. Franklin Smith

The actuarial bills from Stennes and Associates for the months of February and March were approved for payment.

PERA ACTUARIAL VALUATION as of 6/30/75  
Dr. Smith went over the valuation and discussion followed.

Staff was directed to investigate why there is a large number of members in the Basic plan with less than 10 years of service; also why there are so many young Basic members.

Dr. Smith will pursue the marked change in distribution of payroll by age and sex.

Rep. Biersdorf moved that the PERA actuary be requested to continue reporting the Coordinated and Basic actuarial information separately. Motion carried.

Staff was directed to draft a letter to PERA and also to the PERA actuary requesting the two separate reports on the Coordinated and Basic plans.

PERA POLICE & FIRE VALUATION  
Dr. Smith went over the fire and police valuation and discussion followed.  
The deficit decreased by \$466,000.

DULUTH TEACHERS RETIREMENT FUND  
Dr. Smith went over the valuation and discussion followed.  
It was pointed out that Duluth has begun to use unisex tables; that the Duluth support rate is about 9-1/2%.

UNIVERSITY OF MINNESOTA POLICE PENSION PLAN - as of 6/30/75  
Dr. Smith went over the valuation and discussion followed.  
Mr. Harold Bernard reported that the top step of a patrolman's salary is reached in four years, and that the contributions of those who have ~~not reached~~ the top step are based on actual salary.

June 11, 1976 Meeting

The summaries of the 1976 Session were distributed to the commission members.

RE: ANNUAL REPORT TO THE LEGISLATURE  
Rep. Al Patton moved that the staff continue the practice of publishing a report to the Legislature and that it be ready for the early part of the 1977 Session.  
Mel Hansen - seconded  
Motion carried

Rep. Biersdorf suggested that there be an orientation program for new commission members.

HR 13040 - Mr. Robert Wetherille

Mr. Wetherille advised that another bill has been introduced which is identical to HR 13040 but which has additional authors; that there has been some indication that the study and legislation of pensions will be taken out of the IRS and the Department of Labor and put into a separate federal commission on pensions and retirement; that it is important to help Congress pass the right kind of pension legislation.

PENSIONS & INVESTMENTS - Articles re underfunding of pensions (June 7, 1976)

Rep. Al Patton suggested that the staff should respond to the articles which were somewhat inaccurate in respect to Minnesota's pension funds. We should inquire as to what actuarial assumptions were used to complete the reports which were written up in PENSIONS & INVESTMENTS. The need and necessity for standard definitions in pension reporting was discussed.

Federal Pension Legislation - Mr. Ousdigian, PERA

Mr. Ousdigian advised the commission that federal pension legislation should be opposed by Minnesota because Minnesota conforms to all the regulations set forth.

Dr. Smith will check over HR 13040 and give his opinions and reaction.

LAWS 1976, CHAPTER 325, SEC. 2

This refers to the increase bill for the pre-1973 retirees. Part of the wording is ambiguous. A letter was drafted clarifying the commission's intention to the fund administrators, advising them of the commission's position on this problem.

Rep. Patton moved the adoption of the letter draft to be mailed to the fund administrators. Motion carried.

Wm. McCutcheon, Secretary

E. Diebel  
Steno