

State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

June 23, 1978 Meeting
Room 118 State Capitol
9:00 A.M.

Rep. Beauchamp chaired the meeting.

PRESENT: Senators Ogdahl, Strand, Stokowski
Representatives Beauchamp, Reding, Patton, Moe

TRA Financing

The research material re the TRA Financing problem was distributed to the members of the Commission. This material was prepared for a meeting with the Commissioner of Finance and staff, and Senator Ogdahl, Rep. Beauchamp, John Mandeville and Larry Martin. This meeting with the executive branch of government was arranged because the commission wanted Commissioner Christenson's office to be completely informed.

Rep. Patton requested that copies of the TRA Financing material be forwarded to the Finance Committee of the Senate and the House Appropriations Committee.

Harvey Schmidt, TRA Exec. Dir., expressed the appreciation of the TRA Board of Trustees for the commission's work on this problem.

Early Retirement Reduction Factor

Vernon Westman, Dept. of Transportation, stated that he objects to the early retirement reduction factor, specifically for an employee retiring at age 62 with 40 years of service.

Laurel M. Pennock, Retired Educators Association of Minnesota, introduced Mr. Melvin Voxlund, retired member on the TRA Board. Mr. Pennock spoke in behalf of the pre-1973 retired teachers.

Rep. Moe advised that increases to the pre-1973 retirees would have to come from General Revenue; that there is now a \$600 million dollar deficit for teachers who are working now; that all teachers (pre-1973) are receiving 40% more than they were eligible for at the end of their service.

The chairman requested further information as to which teachers are receiving less than \$50 per month in pensions; also whether they were career teachers--need to know the accrued time.

Department of Personnel Study of Possible Overtime Abuses

Dick Cottrell, Department of Personnel, discussed with the commission two alternative approaches to the study of this subject which were presented by the Department of Personnel:

Approach #1 would be strict adherence to legislative direction--actual salary history.

Approach #2 would be "using selected computer tapes prepared each payroll period, analyze the relationship between age and overtime payments at specific points in time."

The subject of privacy of this material was brought up and discussed. House Research will be asked to draft some information on this subject.

Rep. Patton moved that Alternative #1 be the method used for this study. Carried

Interim Topics

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| 1. Volunteer Fire Departments | 4. Mandatory Retirement (2-man subcommittee) |
| 2. Local Fire and Police Funds | 5. Disability |
| 3. TRA Financing (2-man Subcommittee) | |

Lyle Farmer, St. Paul TRA Sec/Treas, requested an attorney general's opinion on the subject of mandatory retirement--the law may be challenged.

Collin Peterson, Sec.

E. Diebel