December 1, 1978 Meeting
Room 112 - 9:00 A.M.
State Capitol

MINUTES

The chairman, Sen. Stokowski, opened the meeting.

PRESENT: Senators Stokowski, Collin Peterson, Strand, Renneke
Representatives Patton, Beauchamp, Reding, Biersdorf

Department of Personnel - Study on Overtime and Retirement
Donn H. Escher, Assistant Commissioner, Minnesota Department of Personnel, explained the cost of preparing the study and report, "Overtime Abuses and Retirement A Research Report" -- $8,000.

Richard Cottrell, Project Director, advised the Commission that there are no conclusions as to whether there have been overtime abuses. A study was made of 275 cases of overtime during the 15 years preceding retirement; compared the last 5 years of overtime with the last 10 years. Report states that "it appears that employees tend to work more overtime during their last 5 years preceding retirement, and during the period from 15 to 10 years preceding retirement." "Other factors which may account for the overtime trend are changes in legislation. Especially noted are amendments adopted in accordance with the Federal and Minnesota Fair Labor Standards Act. Extraneous factors such as willingness to work overtime may also influence the overtime effect."

Bob Currie, State Employees Union, gave his views on overtime among state employees. He reported that his union covers 15,000 state employees; that it makes a deliberate effort to distribute overtime evenly among employees; that an overtime assignment is given to the least senior employee--the younger employees want the overtime/money and the older employees want time off.

The chairman directed staff to take a look at the 40 year employees.

Staff Memo - Comparison of Statutory and Related Provisions Governing Disability Benefits
L. Martin went over the memo and discussion followed.
Rep. Biersdorf moved that the staff conduct further study on disability. Carried.

Lyle Farmer, St. Paul Teachers, reported that they have a number of stress type disabilities; that there is need for further study relative to getting employees back into the work force; possibly a need for an independent agency to act on these disabilities to get them back to work.

Paul Groschen, Exec. Dir, MSRS, stated there is a problem with separating the truly disabled from the partially disabled; that there is a problem with the age 60 or 62 group in determining whether the person is disabled; also there is a problem with the medical examination costs; MSRS pays for the examinations.

Edward Blanck, Exec. Sec. Duluth Teachers Retirement Fund, stated there is a problem as to whether disability is job related or generally related.

Robert Wetherille, Minneapolis Fire, stated their problem is that there are no positions in the fire department for those partially disabled.

Stan Peskar, League of Minnesota Cities, advised that there is a program to begin in 1980 requiring those receiving federal aids to hire the handicapped for jobs they are able to perform--"ability to do any work that will support that person in a reasonable manner".

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Paul Groschen explained some of the changes in the Deferred Compensation Plan which will limit the amount which can be deferred to approximately 25% compensation.

Leo Reding, Secretary

E. Diebel, Steno

____________________ moves that Dr. Franklin Smith, independent consulting actuary, be retained as the consulting actuary for the commission to replace the commission's previous consulting actuary, the firm of Stennes and Associates, effective December 1, 1978 for a period of one year, open to renewal for additional one year periods, to provide those actuarial services which the commission requires at the rate currently in effect for the commission's consulting actuary, which is $55.00 per hour of actuarial services.