

Legislative Commission on Pensions & Retirement
January 10, 1984 Meeting
7:00 P.M., Room 83 State Office Bldg.

MINUTES

Rep. John Sarna, Chair, opened the meeting.

PRESENT: Representatives John Sarna, James Metzen, Frank Rodriguez,
John Clawson
Senators Collin Peterson and Allan Spear

Staff Memo: Review of Request of the Department of Corrections for Inclusion of an Additional Classification in the MSRS Correctional Employees Plan.

Karen Dudley, Exec. Sec. explained the request to include the Corrections Chief Cook in the MSRS Correctional Employees Plan. A letter was received from Commissioner Orville Pung requesting this inclusion in the MSRS Plan.

Ted Spenser, Department of Corrections, told the Commission that he felt that it is a very legitimate request to put these people in the early retirement plan.

Rep. Metzen moved that this request to include the corrections chief cook in the MSRS Correctional Employees Plan meets with the approval of the Commission. Motion carried.

Staff Memo. Request for Approval of Fee-Sharing with Department of Finance for Computer System Access.

The memo states that the Commission is being asked to approve an annual expenditure of \$10,000 to provide the Commission actuary and staff with access to the Winklevoss Model III actuarial valuation and forecasting software system.

Sen. Collin Peterson moved approval of the \$10,000 expenditure. Motion carried.

H.F. 912 (Sarna); S.F. 882 (Waldorf, C.C. Peterson): Preliminary Discussion: Reimbursement of Medical Insurance Premiums for MSRS Retirees.

Karen Dudley went over the memo - Bill would amend MSRS general law to provide for the quarterly payment by MSRS to retirees of an amount to reimburse the retirees for the cost of Medicare B supplemental medical insurance.

Bob Whitaker, president of the MSRS Retirees Association, told the Commission that the cost of the Medicare B plan is a burden to the retirees. The average pension for pre '73 retirees is \$200 per, and for the post '73ers the average pension is \$400 per month. He stated that other institutions and private companies are paying the cost of the supplemental insurance; that most labor contracts attempt to have some kind of paid coverage. As to the question as to why only MSRS has been requested to pay this cost, it was stated that all the other jurisdictions are authorized to pay this through a separate tax levy. About 25 jurisdictions pay health insurance.

Burdine Erickson, Vice President of the MSRS Retirees Association, advised that private companies and hospital in Rochester all pay for the supplemental health insurance. Especially for retirees with no pensions, a flat amount is provided.

Joseph Prifrel, MSRS Retirees, advised that many employers had negotiable health programs for their employees; that between 200 to 300 retirees need the help of the United Fund. Mr. Prifrel felt that the money should come from the General Revenue rather than a new appropriation.

Paul Groschen, Exec. Dir. of MSRS, told the Commission that the MSRS Board supports the health payments and that it did not pick it up as one of its proposals. They favor payment from the General Revenue rather than the MSRS fund. Also Mr. Groschen stated that they wouldn't mind paying it out of the MSRS fund provided the MSRS receives the proper amount to pay this.

Buyback Subcommittee Report to the Full Commission.

Rep. Rodriguez read the recommendations of the Buyback Subcommittee to the Commission. (copy attached)

Sen. Spear explained that buyback bills that are an exception to the full actuarial buyback rule should not be introduced. A letter of explanation will be sent out to all legislators.

Rep. Frank Rodriguez,
Secretary

Eleanor Diebel
Commission Secretary