

# State of Minnesota \

## LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

August 22 and 23, 1985 Meetings  
Room 15  
State Capitol

### MINUTES OF August 23, 1985 Meeting:

Senator Donald M. Moe, Chair, opened the meeting.

PRESENT: Senators Donald Moe, Pogemiller, Wegscheid  
Representatives Knickerbocker, Gutknecht, Simoneau, Sviggum

### REVIEW of the 1985 Session Legislation

Jim Heidelberg, Commission staff, reviewed the summary of the 1985 Session. Discussion followed.

In response to Rep. Knickerbocker's question as to whether the Commission should know more about the authority given to municipalities to issue non-taxable bonds, Senator Moe stated that this subject would be put on the list of subjects to be considered this interim.

Sen. Moe advised that he would like to re-establish the pension commission as an agency of state government where pension policy originates.

Sen. Moe gave the following list of subjects which will be placed on the Commission's work schedule for study this interim:

1. Consolidation of local police and fire into PERA-P&F
2. Rule of 85 and other retirement options
3. Defined Contribution Benefits and expanse of the state unclassified retirement plan
4. Pre-'73 retirees--level of benefits paid and their insurance coverage
5. Look at post retirement fund and make adjustments to that fund that will make it more in keeping with its original design; particularly interest assumptions.
6. Social Security coverage--all public employees should be contributing members of Social Security  
(Staff to make a report at next commission meeting)
7. Create a division of pensions in the Executive Branch to help with the management and oversight of pensions in the State
8. Legislative Auditor's staff to study investment records of the first class funds
9. Bemidji problem re survivor spouse benefit
10. Workers Compensation--Lyle Farmer to give an outline of the problem in his fund
11. Variable Annuity of Teachers Retirement Fund. Sen. Moe discussed setting up a special committee on the Variable Annuity in the teachers fund.

Paul Groschen, Exec. Dir. of MSRS, stated that the support rate for his fund is insufficient to pay benefits; that the support rate was lowered too far; that it is the first time that MSRS has been underfinanced

Harvey Schmidt, Exec. Dir. of TRA, explained the reason for the delay in the valuation for his fund. The report shows that the fund is slightly underfinanced and will wait for another reading from The Wyatt Company

Rep. Gutknecht and Rep. Simoneau were appointed to look organization rules for the administration and organization of the Pension Commission; the authority and powers of the officers.

Letter from Governor Perpich re '73 Retirees: Subject to be placed on Commission agenda for interim study.

Next Meetings: September 12 at 3:00 P.M.; September 13 at 9:00 A.M.

E. Diebel  
Staff Secretary

Wayne Simoneau