

Minutes of the September 13, 1985 Meeting

The Chairman, Senator Donald Moe, opened the meeting.

PRESENT: Senators Donald Moe, Earl Renneke, Allan Spear
Representatives Wayne Simoneau, Steve Sviggum, Terry Dempsey,
Gil Gutknecht
Commission Actuary, Robert Perkins

PERA Report: James Hacking, Executive Director

Mr. Hacking informed the Commission on the following future plans and work for PERA:

1. Budget--need to project for next year's needs
2. Accounting needs
3. Publication of a manual of procedures and rules pertaining to education, travel expense, etc.
4. Channels of communication--a newsletter that would have wider appeal--need for tools to communicate with the members
5. Outside experts to be invited in
6. Long range planning for storing work

In answer to Sen. Renneke's question relative to the role of the Executive Director of PERA and where the advocacy comes from in promoting improvements, Mr. Hacking responded that the PERA Board of Trustees has the responsibility to act as advocate, and the PERA Executive Director is to share the role.

Sen. Donald Moe invited Mr. Hacking to come back to the Commission any time there is a problem.

Proposed Changes in Social Security Coverage Under Consideration by the Congress that Affect Public Employees

Jim Heidelberg, Commission staff, went over the memo.

Mr. Heidelberg told the Commission that Congress is considering extensions in Social Security coverage that would affect public employees who are not currently covered by Social Security; that there are two approaches under consideration:

- (1) Social Security coverage for new hires effective January 1, 1986. Medicare coverage for current and newly hired employees effective January 1, 1986.
- (2) Medicare coverage for new hires effective January 1, 1986.

He advised that it may be expected that newly hired safety officers and newly elected legislators and constitutional officers will be covered by Social Security as of January 1, 1986 and "currently active safety officers, members of MERF, and members of the Basic plans in TRA, PERA, St. Paul Teachers, Minneapolis Teachers, Legislators, and Constitutional Officers being covered by Medicare beginning January 1, 1986."

It is estimated that 27,315 employees would be affected at a cost of \$10,048,500 to employers and \$10,048,500 to employees annually at the present payroll and Medicare cost."

Sen. Donald Moe advised that there is need to be prepared if this Social Security plan is implemented; that every single person in Minnesota will be a contributing member.

Senator Renneke and Rep. Gutknecht stated that they do not share the chairman's views on the extension of Social Security coverage.

Sen. Renneke stated that Social Security for all does not meet with sound pension policy.

Rep. Simoneau moved that the Commission begin the necessary work to include legislators and constitutional officers in Social Security.

There is need to hold hearings with the employers and representatives of the police and fire, and the Basic members.

September 13, 1985 meeting minutes continued:

Sen. Moe announced that the Social Security Coverage will be on the Commission agenda on a regular basis until a decision is made on it.

Legislation is to be drafted as per Rep. Simoneau's motion.

Next Commission meetings scheduled for October 10 and 11.

Wayne Simoneau
Commission Secretary

Eleanor Diebel
Staff Secretary