



March 12, 1991
Room 10
State Office Building

2nd Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Representative Leo Reding, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:15 AM.

Commission members present:

Representatives Richard Jefferson, Bob Johnson, Gerald Knickerbocker, Rich O'Connor, and Leo Reding
Senators Steven Morse, Lawrence Pogemiller, Earl Renneke, Leroy Stumpf, and Gene Waldorf

Review of Actuarial Condition of Major and Statewide Pension Plans.

Rep. Reding introduced Robert Perkins, the Commission Actuary, to review the results of the valuations dated July 1, 1990. He noted three points he would stress during his presentation - a comparison of the required contributions relative to statutory contributions, the funded ratio of the plans, and the solvency of the plans. Mr. Perkins recommended that action be taken regarding the funding of the Minneapolis Teachers Retirement Fund Association.

H.F. 522 (Anderson, I.); S.F. 567 (Lessard): PERA; Purchase prior service for appointed public officers

Rep. Irv Anderson spoke on behalf of his bill. Edward Burek, Deputy Executive Director, reviewed the staff memo on this bill stating that this bill permits buybacks by individuals who are no longer elected officials but are currently appointed public officials. This bill requires the buybacks at full actuarial value. Mr. Burek went on to review a staff amendment, LCPR91-48, which limits these buybacks to public officials appointed prior to 5/9/90.

Rep. Johnson moved amendment LCPR91-48. **MOTION PREVAILED.**

Rep. Knickerbocker moved H.F. 522 as amended. **MOTION PREVAILED.**

H.F. 41 (Rukavina); S.F. 72, Dicklich): Virginia Firefighters; Widow Benefits and Disposition of Assets

Rep. Tom Rukavina spoke on behalf of his bill. Lawrence Martin, Executive Director, reviewed the staff memo on this bill stating that this bill would eliminate the requirement that a surviving spouse benefit be discontinued upon remarriage for the survivor of a Virginia firefighter and also provides that any remaining assets be used for firefighting purposes, when all required benefits have been paid from this fund. Mr. Martin reviewed LCPR91-35 which broadens this bill to include current surviving spouses and reinstates previously remarried surviving spouses and LCPR91-36 which eliminates gender specific references in the current bill.

Rep. Johnson moved H.F.41. **MOTION PREVAILED.**

H.F. 44 (Begich); S.F. 5 (Johnson, D.J.): Eveleth Firefighters; Benefit increase

Rep. Joseph Begich spoke on behalf of his bill and noted that it has a local approval resolution from Eveleth. Mr. Martin reviewed the staff memo and amendment (LCPR91-37) on this bill and noted that it would increase Eveleth Police and Fire retiree benefits by \$75 per month. The amendment clarifies that the bill applies to all benefit recipients and is retroactive to January 1, 1991.

Sen. Waldorf moved H.F. 44 and the amendment, LCPR91-37. **MOTION PREVAILED.**

H.F. 161 (Solberg); S.F. 162 (Lessard): Nashwauk Police; Increase Surviving Spouse Benefits

Sen. Bob Lessard spoke on behalf of his bill and noted that he has a letter from the Mayor indicating local support of Nashwauk. Mr. Martin reviewed the staff memo and noted that this bill increases the surviving spouse and surviving family benefit.

Rep. Johnson moved H.F. 161. **MOTION PREVAILED.**

H.F. 225 (Dorn); S.F. 244 (Hottinger): PERA-P&F; Provide survivor benefits to Mankato firefighters survivors

Rep. John Dorn spoke on behalf of his bill. Ed Burek reviewed the bill and noted the purpose of this bill is to permit a very ill Mankato firefighter to provide the maximum benefit possible for his survivors. He also noted that the bill needs to be redrafted.

Rep. Johnson moved that this bill be **LAI D OVER** temporarily and possibly this issue could be covered in the PERA administrative bill.

H.F. 611 (Farrell); S.F. (): Duluth & St. Paul Firefighters; Provide refund to beneficiary or estate in certain deaths

Rep. Jim Farrell spoke on behalf of his bill. Larry Martin reviewed the staff memo and noted that this bill would authorize a refund of the member contributions for members of these plans if there were no survivors. Sen. Waldorf asked if this bill could be expanded to include all local police and fire plans with local approval.

The bill was **LAI D OVER** temporarily to redraft it to make it effective for all local plans.

H.F. 190 (Swenson); S.F. 314 (Laidig): PERA; Permit purchase of Prior Service and Military Service for St. Paul Water Utility Employee

Rep. Doug Swenson spoke on behalf of his bill. Ed Burek reviewed the staff memo on this bill and noted that the individual wanted to buyback temporary prior service, which has not been permitted previously, and military service, which he was eligible to buyback at any time prior to a subsequent law change.

Rep. Knickerbocker moved H.F. 190.

Sen. Pogemiller had concerns about permitting any buyback for temporary service. Laurie Hacking also has concerns about this issue. Ms. Hacking added that the five year cut off for buying military service credit was enacted in 1982 or 1983.

Rep. Johnson moved to amend this bill to delete reference to buying back temporary service as follows:


Lines 17 and 18 strike "the period as a temporary employee and."

Mr. Lallier, the individual that wants the buyback, stated that he was most interested in buying back the military service because it will permit him to retire April 1, 1991, at the age of 55 rather than waiting till next year when he will be 56.

MOTION PREVAILED on the Johnson amendment.

The bill was **LAI D OVER** to permit certain points to be clarified and to calculate the full actuarial value for Mr. Lallier.

The meeting adjourned at 9:50 A.M.


Jean Liebgett, Secretary