

## **Background Information on the Metropolitan Transit Commission Consolidation into MSRS**

The consolidation of the Metropolitan Transit Commission, Transit Operating Division Employees Retirement Fund (hereafter “the division”) into the Minnesota State Retirement System (MSRS) occurred in 1978, with the various rights of the members and the process for the consolidation being specified in Laws 1978, Chapter 538. In large part, the employees were given coverage by the MSRS-General.

In part, that chapter of 1978 law provided the following:

- division employees were added as “included employees” in MSRS, making them covered by the MSRS-General Plan;
- past service credit in the division plan was transferred to MSRS and was recognized as allowable MSRS-General Plan service;
- the MSRS board was reformulated to establish a position to represent division members;
- procedures were specified for paying refunds to division employees, if they terminated on any date following the consolidation;
- repayment of refunds taken by employees prior to the consolidation are prohibited following the consolidation;
- procedures were established for paying benefits and post-retirement adjustments to benefit recipients transferred to MSRS under the consolidation, and for handling deferred retirees;
- the division plan’s fund was terminated, with all assets of that fund and liabilities of that plan transferring to MSRS;
- all records and administration were to transfer to MSRS; and
- to amortize the additional unfunded liability incurred the MSRS-General as a result of the consolidation and transfer of the liabilities, an additional employer contribution was placed upon the Metropolitan Transit Commission equal to 3.8% of covered payroll, beginning on July 1, 1978, and payable for the next 20 years.