

S.F. 1096
(Pogemiller)

H.F. 1334
(Kahn)



Executive Summary of Commission Staff Materials

Affected Pension Plan(s): MSRS-General
Relevant Provisions of Law: Minnesota Statutes, Chapter 352F
General Nature of Proposal: Includes Disability Coverage In MSRS-General Privatized University of Minnesota Hospital Pension Coverage Extension
Date of Summary: March 12, 2001

Specific Proposed Change(s)

- Adds Disability Coverage To University of Minnesota Privatized Hospital Employee Coverage. Privatized University of Minnesota hospitals employees with pre-transfer disability documentation who were transferred to Fairview Hospital employment could apply for MSRS-General disability benefit.

Policy Issues Raised by the Proposed Legislation

1. Appropriateness of Disability Coverage Extension. The 1997 legislation was a significant benefit to privatized employees and this goes even further.
2. General Legislation or Special Legislation? The benefit extension may be better accomplished by special legislation.
3. Unknown Actuarial Cost. The change will have an actuarial cost, which has not been estimated.
4. Need for Retroactivity. The affected former employee was disabled in March 2000, and may deserve retroactivity to the March 2000 date.
5. Unusual Augmentation on Disability Benefit. The benefit extension includes an unusual augmentation of the benefit amount.
6. Precedent For Death Benefit Extension. The disability benefit extension will be a precedent for similar death benefit extensions.
7. Precedent For Similar PERA-Privatized Employee Legislation. A similar PERA-General benefit extension law exists and this could be a precedent for an extension there, too.



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director *LAM*

RE: S.F. 1096 (Pogemiller); H.F. 1334 (Kahn): MSRS; University Hospital Employee Disability Benefits Continuation

DATE: March 8, 2001

Summary of S.F. 1096 (Pogemiller); H.F. 1334 (Kahn)

S.F. 1096 (Pogemiller); H.F. 1334 (Kahn) proposes a new provision of law for Minnesota Statutes, Chapter 352F, the continuation of Minnesota State Retirement System General State Employees Retirement Plan (MSRS-General) benefit coverage for privatized University of Minnesota hospital employees, that permits a privatized University hospital employee who is totally and permanently disabled and who had a preexisting (before January 1, 1997) disability condition to apply for and receive the January 1, 1997 MSRS-General plan disability benefit.

Background Information on the Privatization of the University of Minnesota Hospitals and Continuing MSRS-General Benefit Coverage

In 1996-1997, the University of Minnesota transferred its hospitals to Fairview Hospital and Healthcare Services. The employees of the former University of Minnesota were transferred from retirement coverage by the General State Employees Retirement Plan of Minnesota State Retirement System (MSRS-General) to the Fairview Hospital pension plan.

The 1996 Legislature (Laws 1996, Chapter 460, Article 1) provided for the retention of certain pension benefit rights in the MSRS-General Plan for the transferred University of Minnesota Hospital employees. The provisions, coded as Minnesota Statutes, Chapter 352F, include the following MSRS-General benefit plan retention rights:

1. Elimination of Vesting Requirement. The normal three years of allowable service vesting requirement of MSRS-General was eliminated for transferred employees, so that transferred employees will be eligible for an MSRS-General retirement annuity with any length of prior state service;
2. Increased Deferred Annuity Augmentation. For terminated employees who do not take a refund from MSRS-General, the deferred retirement annuity will be augmented at the rate of 5.5 percent instead of three percent for the period until age 55 and at the rate of 7.5 percent instead of five percent for the period after age 55, so that a transferred employee with a \$100 current monthly retirement annuity at age 45 will be eligible to receive a future \$352.02 monthly retirement annuity at eventual retirement at age 65 under the proposed legislation, rather than a \$218.91 monthly retirement annuity at age 65 under current law;
3. Recognition of Fairview Hospital Service For Rule of 90 Eligibility. Terminated employees who continue in Fairview Hospital service and, with the Fairview Hospital service added, would have been eligible to retire under the MSRS-General "Rule of 90" will be eligible to do so, with the Fairview Hospital related service credit utilized for benefit eligibility only and not for benefit amount computation purposes; and
4. Clarified Eligibility For Refund Following Transfer. Terminated employees are eligible for a refund at any time after the transfer of employment to Fairview.

The transfer of the employees of the University of Minnesota Hospital and Clinics to Fairview Hospital and Healthcare Services shifted those employees from the public sector to the private sector and prematurely ended their coverage by the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General). That premature termination produced an additional (not predicted by current withdrawal actuarial assumption) turnover gain for MSRS-General, by releasing more actuarial accrued liability than the value of an augmented deferred retirement annuity or a refund of past member

contributions and interest. Most of that turnover gain was eliminated by the increased benefit coverage rights in MSRS-General provided to these transferred employees under the 1996 legislation.

Actuarial consulting firms retained by the Minnesota State Retirement System (William M. Mercer, Inc.) and by the University of Minnesota (Deloitte & Touche) prepared actuarial cost estimates of the impact on MSRS-General of the benefit enhancements for the transferred University Hospital and Clinics employees as provided in the 1996 legislation. The following summarizes those actuarial cost impact estimates:

	<u>Deloitte & Touche Estimate</u>	<u>William M. Mercer, Inc. Estimate</u>
a. Current actuarial liability of MSRS-General or transferred University Hospital and Clinic employees	\$150,100,000	\$150,100,000
b. 7/1/1995 funded portion of liability (MSRS-General funding ratio for active lives)	85 percent, or \$128,800,000	85.8% percent, or \$128,800,000
c. Present value of current MSRS-General benefits upon group termination	\$85,600,000	\$88,900,000
d. Experience gain from transferred University Hospital and Clinic employees (before 1996 legislation)	\$43,200,000	\$39,900,000
e. Additional liability related to the recognition of future service for "Rule of 90" purposes and vesting change	(\$5,800,000)	(\$6,700,000)
f. Additional liability related to increasing the deferred annuity augmentation rate for affected group (3%/5% to 5%/7%)	(\$30,500,000)	(\$24,600,000)
g. Additional liability related to further 0.5 percent increase in the deferred annuity augmentation rate for affected group (to 5.5%/7.5%)	N/A	(\$7,600,000)
h. New gain (loss) from the 1996 legislation	N/A	\$1,000,000

Thus, the transfer of the University Hospital and Clinics employees to Fairview Hospital and Healthcare Services and their termination of future MSRS-General active membership produced an actuarial gain to MSRS-General of \$39,900,000, and the expansion of MSRS-General benefit coverage for these transferred employees produced an actuarial liability increase of \$38,900,000, for a net total actuarial experience gain to MSRS-General from the 1996 legislation of \$1,000,000.

Discussion

S.F. 1096 (Pogemiller); H.F. 1334 (Kahn) proposes the extension of additional Minnesota State Retirement System General Employee Retirement Plan (MSRS-General) benefit coverage to the 2,600 employees transferred in 1996 and 1997 from the former University of Minnesota hospitals and clinics to the Fairview Hospital and Healthcare Services. The additional MSRS-General benefit coverage is disability coverage for transferred hospital employees who had a medically documented preexisting disability condition before January 1, 1997. The disability benefit is the January 1, 1997, MSRS-General disability benefit and is subject to augmentation under the MSRS-General law. The proposed legislation is of general application, but applies to two disabled former MSRS-General plan members currently, Janet M. Snook and Anne M. McKay, and arises out of a benefit denial appeal of Ms. Snook. Ms. Snook has cerebral palsy and was laid off by Fairview Hospital on March 24, 2000.

The proposed legislation raises several pension and related public policy issues that merit consideration by the Commission, including the following:

1. Appropriateness of Extending Disability Coverage to Former University of Minnesota Hospitals and Clinics Employees. The policy issue is the appropriateness of extending MSRS-General Plan disability coverage to former MSRS-General members who are now privatized employees of Fairview Hospital and covered by its pension plan. Former employees of a Minnesota public pension plan typically qualify for a refund of their member contribution, plus interest, or as eventual augmented deferred retirement annuity. For former University of Minnesota hospitals

and clinics employees, the legislation went beyond those entitlements and created Minnesota Statutes, Chapter 352F, which preserved the former University hospitals employees' "Rule of 90" early normal retirement eligibility, granted early vesting, and provided greater augmentation of deferred annuities. The proposed legislation would extend casualty coverage in the form of immediate disability benefits to these employees. Casualty coverage generally is not extended to anyone except active employees. The former University hospitals and clinics employees are not without benefit coverage should they become disabled while in Fairview Hospital employ, since they have Social Security disability coverage, any Fairview Hospital disability insurance or retirement coverage, and an augmented deferred retirement annuity from MSRS-General.

2. Appropriateness of General Legislation. The policy issue is the appropriateness of the proposed legislation as legislation of general application rather than special legislation. The proposed legislation is prompted by the situation of Janet Snook, a 46-year resident of Minneapolis who had 20 years of service in the University Hospital Maintenance and Engineering Department and 3.25 years of employment by Fairview Hospital after the sale of the University Hospitals and Clinics. Her cerebral palsy qualifies her for a Social Security disability benefit and, if she had continued in University employment, presumably would have qualified her for an MSRS-General disability benefit. Her MSRS-General disability benefit is estimated to be \$667 per month. Her augmented deferred retirement annuity from MSRS-General, in July, 2009, is estimated to be \$761 per month. Another former University Hospitals and Clinics employee, Anne M. McKay, for whom the Commission staff has no specific information beyond her age, 55, also would qualify for a MSRS-General disability benefit under the proposed legislation. Given the limited nature of the problem at this time, two former University employees, and the narrow range of qualifications, a preexisting disability on January 1, 1997, a more appropriate legislative response might be special legislation. Amendment LCPR01-29 converts the proposed legislation into special legislation for Ms. Snook. With additional information on Ms. McKay, any special legislation could be expanded to include her.
3. Actuarial Cost. The policy issue is the actuarial cost of the proposed extension of MSRS-General disability benefit coverage to former University Hospitals and Clinics employees. The net turnover gain, in 1997, for MSRS-General, upon the sale of the University Hospitals and Clinics, was estimated at the time at \$1 million by the MSRS actuary. The actuary retained by the Commission never has specifically assessed and reported the actual net turnover gain for MSRS-General from the transfer. Spread over 2,600 potential former employees, that potential \$1 million gain provides very little real margin (\$385 per person) from which to fund a general benefit increase. The actuarial cost of the proposed legislation has not, as of yet, been estimated by the consulting actuary retained by the Commission. If the proposed legislation was converted to special legislation, the actuarial cost would be more modest when compared to that of a generalized extension.
4. Appropriateness of Retroactivity. The policy issue is the appropriateness of making any proposed legislation retroactive to March, 2000, which was the month when Ms. Snook indicates that she first applied for a disability benefit from MSRS-General. The proposed legislation is currently effective on the day following final enactment. If Ms. Snook's circumstance argues strongly for a special remedy, a similar argument can be made for extending the benefits to her at the time when she first applied for the benefit. Amendment LCPR01-32 makes the provision effective with a disability benefit retroactive to March 1, 2000, or the date on which the disabiltant first applied for a disability benefit with MSRS-General, whichever is later.
5. The Appropriateness of Providing Deferred Annuities Augmentation For Disability Benefits. The policy issue is the appropriateness of augmenting disability benefits akin to deferred retirement annuities. The proposed legislation would augment the MSRS-General Plan disability benefit coverage extended to transferred University of Minnesota Hospitals and Clinics employees under the MSRS-General Plan deferred annuities augmentation rates, instead of the enhanced Minnesota Statutes, Chapter 352F deferred annuities augmentation rates, from January 1, 1997, until the disability benefit accrues. MSRS-General Plan disability benefits are not augmented, even if there is a delay in applying for or receiving a disability benefit. The augmentation may be intended to compensate for the frozen (1997) salaries of transferred hospital employees. The provision will, however, set a precedent for augmenting other benefits.
6. Precedent For Extending Other Casualty Benefit Coverage To Former University Hospitals and Clinics Employees. The policy issue is the potential for the proposed legislation to become a

binding precedent for the extension of other MSRS-General Plan casualty benefit coverage to the 2,600 former University Hospitals and Clinics employees who were transferred to Fairview Hospital. MSRS-General provides “death-while-eligible-to-retire” surviving spouse benefit coverage and some limited surviving spouse and surviving child benefit coverage to the survivors of members who die at younger ages. Upon the future premature death of a former University Hospitals and Clinics employee who could have left a survivor benefit to a family member, this proposed legislation, if recommended by the Commission and enacted by the Legislature, could be viewed as a precedent for a similar extension and the circumstances could be difficult to distinguish.

7. Precedent For the Recently Enacted Privatized PERA Employee Legislation. The policy issue is the potential for the proposed legislation to become a binding precedent for a similar extension of General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) disability benefit coverage to the privatized public employee pension benefit continuation legislation enacted in 1999 (see Minnesota Statutes, Chapter 353G). The extension of PERA-General benefit plan coverage to privatized public employees in 1999 was an identical replication of the MSRS-General benefit plan extension and applies to privatized former public employees of several former public hospitals and a few non-health care related employers. Amendment LCPR01-30 replicates the proposed legislation for the PERA-General privatization coverage.

Technical Commission Staff Amendment

Amendment LCPR01-31 revises the language style and usage of the proposed legislation and clearly specifies that the disability benefit extension is under the 1996 MSRS-General Plan statutes.



SF 1096

OFFICE MEMORANDUM

Date: March 2, 2001

From: Paige Purcell, Legislative Coordinator *pel*

To: Edward Burek, Deputy Director

Subject: Request for Information: S.F. 1096 and H.F. 1334
MSRS Providing Disability Coverage for Former UofM Hospital Employee

This legislation will impact two individuals:

- 1) Janet M. Snook date of birth July 18, 1954
- 2) Anne M. McKay date of birth January 10, 1946

These two individuals fell into the same circumstance, please see attached letter to the board it explains the situation.

Attach.



Agenda Item 2

OFFICE MEMORANDUM

File
MSRS
SF
10/10

Date: July 7, 2000
From: Dave Bergstrom *DB*
To: MSRS Board of Directors
Subject: Appeal of Janet Marie Snook

Janet Marie Snook is appealing my decision to not accept her disability application. Ms. Snook was employed by the University of Minnesota Hospital at the time the hospital was purchased by Fairview Hospital. Because Fairview Hospital is a private entity, the 2,600 employees of the hospital could not continue MSRS coverage after it was sold on January 1, 1997.

In anticipation of the sale, MSRS was involved in enacting legislation to protect the retirement benefits of Fairview Hospital employees who could no longer contribute to MSRS. Minnesota Statutes §352F increases the retirement benefits for employees who left their funds with MSRS and also counts service at Fairview toward qualifying for the Rule of 90. For example, if an employee had 20 years of MSRS service and ten years of Fairview Hospital service at age 60, she/he would qualify for the Rule of 90. The law did not provide any special consideration for employees who became disabled.

Because Minnesota Statutes §352F is silent on providing additional disability coverage, I referred to Minnesota Statutes §352.113, subdivision 4, when making my determination. This section reads:

“.....The director shall then determine if the disability occurred within 180 days of filing the application, while still in the employment of the state, and the propriety of authorizing payment of a disability benefit as provided in this section. A terminated employee may apply for a disability benefit within 180 days of termination as long as the disability occurred while in the employment of the state.”

Employees of Fairview Hospital terminated state service on December 31, 1996. Ms. Snook requested a disability application in March or April, 2000, which was well after the 180 day filing period. My decision had nothing to do with whether or not Ms. Snook is disabled, but rather, that we did not have the legal authority to accept the application.

I have enclosed several letters from Ms. Snook, and a letter supporting her claim from Jim Burns.

I have also included copies of §352F and §352.113 which govern disability benefits payable under the General Employees Retirement Plan.

If allowed to apply and a disability were approved, Ms. Snook's monthly disability benefit would be \$667. Under retirement law, she would not be able to apply for regular retirement until she reaches age 55 on July 18, 2009, at which time her monthly retirement benefit would be \$761.

May 8, 2000

00 MAY -9 AM 11:33

MN STATE RETIREMENT

Minnesota State Retirement System
MidAmerica Bank Building, Suite 300
175 West Lafayette Frontage Road
St. Paul, MN 55107-1425

To the Board!

I am Janet Marie Snook. I am writing to you today that is in regards to a concern I have been trying to resolve.

Since 1977, I had been working full time. First with the University of Minnesota Hospital and Clinic, and had continue to be employed when the Hospital merged with the Fairview System. For everyone involved this was quite a change. There was so much to comprehend.

However, we were told that we would be given a special prevision as far as our State Retirement was concerned. We were not told that we would become inactive members.

March 24th of this year I was laid off due to budget cuts and downsizing. I have looked for other work; also checked alternative choices as I have a physical disability and qualify to draw social security at this point. Since my disability is permanent, drawing social security is probably the best way for me to go.

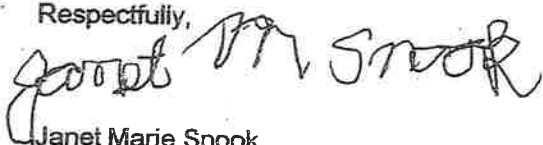
I have tried to find out the proper way of also qualifying for my MSRS fund. The first telephone message I had I was told, being disabled would probably qualify me to draw on it. Then time passed, and I called, inquiring again as to why I hadn't received any paperwork.

It was then when I was told, being a Fairview Employee, I would not qualify to draw on my retirement until I am 55. I was told I should have done so within 180 days of leaving the University. However, I feel I did not leave the University. I was lead to believe my benefits would remain the same, because we were merging with Fairview.

This really upsets me. I am only 45, and having a disability, finding work at this point is very difficult. It is probably unlikely I will find another full time job. I am asking you, as the Board - to take time, and consider my request to draw on my fund. I feel I do have a unique case. Being able to draw on my fund will enable me to remain independent and stay in my own home.

Thank you for your time!

Respectfully,



Janet Marie Snook
614 Pierce Street NE
Minneapolis, MN 55413-2528
(612) 378-2610



Minnesota State Retirement System

June 6, 2000

475-60-1524

Ms. Janet M. Snook
614 PIERCE ST
MINNEAPOLIS MN 55412-2528

Dear Ms. Snook:

I have reviewed your request to allow you to apply for disability benefits. Minnesota Statutes, chapter 352F, governs employees who worked for the University of Minnesota and continued with Fairview Hospital. The law provides no special provisions for disability benefits, and I must deny your request.

Your request was directed to the MSRS Board of Directors. The Board will meet on July 20, 2000, and I will put your case on their agenda as an appeal.

Any documentation supporting your case should be mailed to our office no later than June 30, 2000. The documentation will be sent to the Board in advance of your appeal hearing. You are welcome to attend the meeting and present your case. The meeting will be held in the MSRS office, located at Suite 300 of the Affinity Plus Credit Union Building, 175 W. Lafayette Frontage Road, St. Paul, MN.

For your information, I have sent a copy of the law governing appeals and the law put in place for Fairview employees.

Feel free to call if you have any questions.

Sincerely,

David Bergstrom
Executive Director

DKB:jb

June 7, 2000

Minnesota State Retirement System
MidAmerica Bank Building, Suite 300
175 West Lafayette Frontage Road
St. Paul, MN 55107-1425



Dear Members of the Board,

I am writing you again today in regard to a concern I have been trying to resolve. On May 8, 2000, I sent a letter to you, and I have received no response.

You may remember the letter, but to refresh your memory, I have included a copy of it. I am waiting for an answer to my appeal to be able to receive my benefits. Due to my disability and the pain I continue to have with it, I am no longer seeking full time employment. I have contacted social security and have started the paperwork to draw social security disability benefits from my many years of working.

Whatever your reason is for no response to my first letter, **I STILL EXPECT SOME RESPONSE.** I feel this letter shows my ongoing efforts to receive my Minnesota State Retirement System (MSRS) benefits that I have earned from June 13, 1977 to December 31, 1996 (when the Fairview Health Systems Merger was completed). March 24, 2000 was my last day of working. And, as I said, I do not plan to seek full time employment any longer.

This is an important issue to me, so please respond. This request remains to be a very significant concern, and I will not let it drop so please contact me as soon as possible. You will find my home address, phone number, e-mail address, and social security number listed below.

Respectfully,

A handwritten signature in cursive that reads "Janet Marie Snook".

Janet Marie Snook
614 Pierce Street NE
Minneapolis, MN 55413-2528
Tel: 612-378-2610; SS#475-60-1524
E-Mail: JSnook1234@aol.com

Enclosure

June 21, 2000



Mr. David Bergstrom
Minnesota State Retirement System (MSRS)
MidAmerica Bank Building, Suite 300
175 West Lafayette Frontage Road
St. Paul, MN 55107

RE: Janet M. Snook

Dear Mr. Bergstrom:

According to your reply dated June 6, 2000, you stated I am allowed to submit more evidence on my behalf to support my case.

I, Janet M. Snook, am giving you the following printed material to show why I still feel I should be considered to receive my MSRS benefits. As Board Members, I clearly understand your position to uphold the Governing Rules set for all State of Minnesota employees, whether present and past.

My appeal is not to convince you as a Board to grant changes for all former U of M employees, but to listen to how your decision will leave a definite impact on me, personally. My disability is permanent. Having Cerebral Palsy and growing into adulthood, I had no idea what to expect as I have been getting older. I do know that I experience more pain than I ever had in the past. No one can explain why! So I turned to the Internet and found some surprising facts:

The following segment was taken from the Internet. I have also included a complete printout below: You can also find it at: <http://www.geocities.com/aneecp/age.html>

"Aging as it relates to CP has only recently been explored because for many years adults with CP were ignored in regard to their disability. CP has always been thought of as only affecting children BUT ALL CHILDREN GROW UP. As people with Cerebral Palsy enter adulthood-and are able to participate fully in today's post-ADA and Rehab Act 1973 society -- we are beginning to see an onset of secondary disabilities which would normally be seen in our elderly population have an onset for people with cerebral palsy much earlier in life. Typically in their late 20's, early 30's and 40's is when these problems such as increased falling, osteoarthritis, incontinence, and so forth start to show themselves. While much is still to be learned about the relationship between these secondary conditions and their management in the cerebral palsy patient there is some information available for healthcare providers and patients to work with. The most important part of being able cope with these secondary disabilities is a proper medical management team and short- and long-term management programs."

So, there are statistics pointing to the possibility that my condition—even though I am only 45—is being compared to the elderly.

Mr. David Bergstrom
RE: Janet M. Snook
Page 2

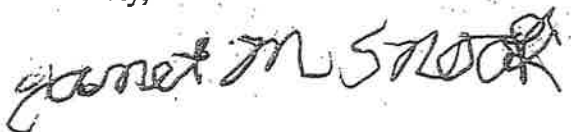
If I am given the ability to receive my retirement benefits now, it will allow me to continue to live in my own home and enable me to pay my mortgage payments. If your decision is to refuse my appeal and force me to wait until I reach the age of 55 years, there's a strong possibility I won't be able to afford to remain in my home. It probably will force me to seek some kind of government assistance; therefore, I could lose any chance of receiving and enjoying the MSRS benefits I worked so long and so hard for once reaching 55. Any individual receiving assistance through Government programs are then limited to the assets one can have, including retirement benefits the individual has earned.

Another reason for my appeal, is that with CP, and being in constant pain, I have a speech impairment. Since my layoff, I have applied for many positions at the University of Minnesota and Fairview Health Systems (where I worked for 22+ years in the same department), made contacts with Disability Services, Courage Center, and have applied for other jobs outside the University to no avail. Once they knew of my speech impairment, I was never contacted again.

Why should I be penalized by not receiving my MSRS, when my desire is to work but because of the reasons stated above, I, unfortunately, have not been hired. I have been independent and on my own all my life.

Please take the time to review my specific case. Thank you for your help.

Sincerely,

A handwritten signature in black ink that reads "Janet M. Snook". The signature is written in a cursive, slightly slanted style.

Janet Marie Snook
614 Pierce Street NE
Minneapolis, MN 55413-2528
Tel: 612-378-2610; SS#475-60-1524
E-Mail: JSnook1234@aol.com

June 26, 2000

00 JUN 29 AM 9:37

Minnesota State Retirement System
175 West Lafayette Frontage Road
Suite 300
Saint Paul, MN 55107-1425

MM STATE RETIREMENT

Dear Board Members:

I am writing in support of Ms. Jan Snook. Ms. Snook is asking for disability payments prior to reaching age 55. She is not a current MSRS participant, but has been a member for over two decades.

As a member myself for the period 1981 to 1998, I understand that the Board must follow rules of eligibility and that the Board bears the responsibility to protect the assets of its members. I am aware that the System has been a great success because it is managed so well and that the Board has been able to increase pensions dramatically over the last five years. As a future participant, I wish to congratulate you on a job well done.

Ms. Snook's story can be a success story too. Jan Snook worked in my department, Hospital Maintenance and Engineering, for about 22 years. Jan has cerebral palsy that prevents her from walking and talking smoothly. She uses an electric wheelchair to get around and communicates with all who will take the time. I have seen Jan struggle to get to and from work in rain and snow. She was an employee long before curbs were cut, stalls were enlarged, or doors had automatic openers. She rose long before you or I to prepare for her workday, and she's usually patiently waiting for her Metro-Van as the rest of us breeze on home. Her days were always long, always challenging. For those of us who know Jan, her pioneering role, attitude and loyalty to her job are going unrewarded.

Jan, like many of us, was impacted hard by the sale of University Hospitals to the Fairview System. She adapted, however, and was doing well for over two years until Fairview eliminated her position. Many of Jan's friends and coworkers were already gone by this time. Most landed other jobs and are surviving the situation. This is the 90's and people realize the economy calls for flexibility. Most have the ability to relocate, retrain and start anew.

A few people, like Jan, fell through the cracks. The stability of steady employment is gone and the future looks bleak for her. Her disability really prevents her from starting anew. She has suffered a great loss - not only of her employment, but all of her day-to-day friendships at the hospital and her self-esteem. Everyone involved with Jan is saddened by the situation.

I apologize for the emotionality and also for the length of this letter. It is not my intention to plead for Jan's benefits based on her need. Rather, I ask that you consider the fairness of her situation and the possibility that if she is denied benefits - a loyal, independent member may never collect any of her benefits. Jan's condition may cut her life short. The letter of the law might be followed, but at a huge cost to Jan. I know that you have the ability to help Jan and I pray that you see a way to do it.

Thank you for taking the time to read this and to consider Jan's case.

Sincerely,

Jim Burns
5025 - 40th Av. S.
Mpls., MN 55417
612-721-2697

1 M moves to amend S.F. No. 1096; H.F. No.
2 1334, as follows:

3 Delete everything after the enacting clause and insert:

4 Section 1. [DISABILITY BENEFIT COVERAGE FOR CERTAIN FORMER
5 UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS EMPLOYEES.]

6 (a) Notwithstanding any law to the contrary, an eligible
7 person described in paragraph (b) is entitled to apply to the
8 general state employees retirement plan of the Minnesota state
9 retirement system for a disability benefit under Minnesota
10 Statutes 1996, section 352.113, subdivision 1, and if determined
11 to be totally and permanently disabled under Minnesota Statutes
12 1996, section 352.01, subdivision 17, is entitled to receive a
13 disability benefit under Minnesota Statutes 1996, section
14 352.113, subdivision 3, plus augmentation under Minnesota
15 Statutes 1996, section 353.72, subdivision 2, from January 1,
16 1997, to the date on which the disability benefit begins to
17 accrue.

18 (b) An eligible person is a person who

19 (1) was born on July 18, 1954;

20 (2) was initially employed by the university of Minnesota
21 in 1977;

22 (3) was employed in the university of Minnesota hospital
23 maintenance and engineering department immediately prior to
24 January 1, 1997;

1 (4) was transferred to employment by Fairview hospital and
2 healthcare services on January 1, 1997; and

3 (5) has cerebral palsy.

4 (c) Except as otherwise provided, Minnesota Statutes 1996,
5 section 352.113, applies to an eligible person during the course
6 of any disability benefit receipt."

7 Amend the title as follows:

8 Page 1, line 4, after "employees" delete the balance of the
9 line and insert a period

10 Page 1, delete line 5

1 M moves to amend S.F. No. 1096; H.F. No.
2 1334, as follows:

3 Page 1, after line 22, insert:

4 Sec. 2. [353F.051] [CONTINUATION OF DISABILITY COVERAGE.]

5 Subdivision 1. [ELIGIBILITY.] A terminated medical
6 facility or other public employing unit employee who is totally
7 and permanently disabled under Minnesota Statutes 1998, section
8 353.01, subdivision 19, and who had a medically documented
9 preexisting condition of the disability before the termination
10 of coverage may apply for a disability benefit.

11 Subd. 2. [CALCULATION OF BENEFITS.] A person qualifying
12 under subdivision 1 is entitled to receive a disability benefit
13 calculated under Minnesota Statutes 1998, section 353.33,
14 subdivision 3. The disability benefit must be augmented under
15 Minnesota Statutes 1998, section 353.71, subdivision 2, from the
16 date of termination to the date the disability benefit begins to
17 accrue.

18 Subd. 3. [APPLICABILITY OF GENERAL LAW.] Except as
19 otherwise provided, Minnesota Statutes 1998, section 353.33
20 applies to a person who qualifies for disability under
21 subdivision 1.

22 Page 1, line 24, delete "Section 1 is" and insert "Sections
23 1 and 2 are"

24 Renumber the subsequent section in sequence

1 Amend the title accordingly

1 M moves to amend S.F. No. 1096; H.F. No.
2 1334, as follows:

3 Page 1, line 12, delete "prior to" and insert "before"

4 Page 1, line 13, after "apply" insert "under Minnesota
5 Statutes 1996, section 352.113, subdivision 1," and after "for"
6 insert "a" and delete "benefits" and insert "benefit"

7 Page 1, line 15, delete "will have the" and insert "is
8 entitled to receive a"

9 Page 1, line 16, delete "on the disability formula" and
10 after "under" insert "Minnesota Statutes 1996," and delete the
11 second underscored comma

12 Page 1, line 17, delete "in effect on January 1, 1997" and
13 delete "will" and insert "must"

14 Page 1, line 19, after "date" insert "on which"

15 Page 1, line 21, before "section" insert "Minnesota
16 Statutes 1996," and before "applies" insert an underscored comma

1 M moves to amend S.F. No. 1096; H.F. No.
2 1334, as follows:

3 Page 1, line 24, after the underscored period, insert "A
4 disability benefit under section 1 is payable retroactively to
5 March 1, 2000, or to the first of the month next following the
6 date on which the eligible person attempted to apply for a
7 disability benefit from the general state employees retirement
8 plan of the Minnesota state retirement system, whichever is
9 later."

Senator Pogemiller introduced--

S.F. No. 1096: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to retirement; providing disability coverage
3 provisions for certain former University of Minnesota
4 hospital employees; proposing coding for new law in
5 Minnesota Statutes, chapter 352F.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. [352F.051] [CONTINUATION OF DISABILITY
8 COVERAGE.]

9 Subdivision 1. [ELIGIBILITY.] A terminated hospital
10 employee who is totally and permanently disabled under section
11 352.01, subdivision 17, and who had a medically documented
12 preexisting condition of the disability prior to January 1,
13 1997, may apply for disability benefits.

14 Subd. 2. [CALCULATION OF BENEFITS.] A person qualifying
15 under subdivision 1 will have the disability benefit calculated
16 on the disability formula under section 352.113, subdivision 3,
17 in effect on January 1, 1997. The disability benefit will be
18 augmented under section 352.72, subdivision 2, from January 1,
19 1997, to the date the disability benefit begins to accrue.

20 Subd. 3. [APPLICABILITY OF GENERAL LAW.] Except as
21 otherwise provided, section 352.113 applies to a person who
22 qualifies for disability under subdivision 1.

23 Sec. 2. [EFFECTIVE DATE.]

24 Section 1 is effective the day following final enactment.