

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): Minneapolis Firefighters Relief Association
Relevant Provisions of Law: Minnesota Statutes, Chapter 423C
General Nature of Proposal: Service Pension and Disability Benefit Amounts
Date of Summary: April 18, 2005

Specific Proposed Change(s)

- Eliminates an active membership requirement for service pension entitlement.
- Eliminates lower service pension amounts at lower plan funded ratios.
- Disallows the recomputation of disability benefits.
- Prohibits pension benefit reductions.

Policy Issues Raised by the Proposed Legislation

1. Appropriateness of the elimination of the active membership requirement for service pension entitlement.
2. Appropriateness of eliminating the plan funded level range of service pension amounts.
3. Appropriateness of disallowing required disability benefit recomputations.
4. Appropriateness of the proposed pension benefit reduction prohibition provision.
5. Appropriateness of the lack of a local approval provision and extent of Minneapolis City support.

Potential Amendments

Substantive Amendments:

Amendment LCPR05-149 restores active membership as a requirement for service pension entitlement.

Amendment LCPR05-150 restores service pension amounts based on the plan funded status.

Amendment LCPR05-151 requires State Auditor determination that a pension or benefit amount is "properly paid."

Amendment LCPR05-256 eliminates the proposed pension benefit reduction prohibition provision from the bill.

Amendment LCPR05-152 adds Minneapolis local approval requirement to the effective date.