



Document LCPR09-062

(Thissen)

Executive Summary of Commission Staff Materials

<u>Affected Pension Plan(s):</u>	PERA P&F
<u>Relevant Provisions of Law:</u>	Special legislation
<u>General Nature of Proposal:</u>	Revised post-retirement increases retroactive to retirement date and revised, higher prospective annuity
<u>Date of Summary:</u>	February 11, 2010

Specific Proposed Changes

- A retiree from the consolidated Faribault Fire plan seeks to have PERA-P&F post-retirement increases retroactive to 1993 retirement date, rather than commencing with the election of those adjustments in 1999, with lump-sum payment of past amounts and revised prospective annuity.

Policy Issues Raised by the Proposed Legislation

1. Lack of any harm to justify request.
2. Retroactivity of benefit adjustments conflicts with Commission's policy statement.
3. Amounts to a reopening of 1999 consolidation account/PERA-P&F merger legislation.
4. Pressure to expand treatment to all similarly situated individuals.
5. Possible later request to reverse the requested treatment when benefit adjustments under the local plan provision provide a higher increase.
6. Likely opposition by PERA administration and PERA-P&F members.
7. Cost of proposal and PERA-P&F actuarial condition.

Potential Amendments

LCPR09-062-1A expands the proposed treatment to all similarly situated individuals (provides retroactive post-retirement adjustments and revised annuities for all who were covered by local plan benefits and who elected PERA-P&F post-retirement adjustments in 1999).

LCPR09-062-2A shifts the responsibility for covering the additional liabilities to the City of Faribault, with local approval.



TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Ed Burek, Deputy Director *EB*
RE: Document LCPR09-062: PERA-P&F/Faribault Fire; Revised Post-Retirement Adjustments and Annuity Adjustment for Retired Faribault Firefighter
DATE: January 21, 2010

Summary of Document LCPR09-062

Document LCPR09-062 permits James Fritz, identified by birth date and other identifier information, to receive Public Employees Police and Fire Retirement Plan (PERA-P&F) post-retirement adjustments for the period 1994 through 1999, rather than the local plan adjustments he received in that period (this is the period following his 1993 retirement and prior to his electing prospective PERA-P&F adjustments under 1999 legislation that permitted that election, currently coded as Minnesota Statutes, Section 353.665, Subdivision 5). PERA will re-compute his annuity as though PERA-P&F post-retirement adjustments had applied from his 1993 retirement date, compare that to the annuity payments actually received since 1993, and pay him the accumulated current value of that difference with 8.5 percent interest. PERA will also continue to pay retirement benefits prospectively based on his revised annuity value, with prospective post-retirement adjustments prescribed by applicable law.

Public Pension Problem of James Fritz

James Fritz is a retired Faribault firefighter who retired in 1993 at age 50 under provisions of the Faribault Fire Department Relief Association benefit plan. In 1991, the Faribault Fire Department Relief Association consolidated with the Public Employees Retirement Association (PERA), at which time a Faribault Fire Consolidation Account was created within PERA. The City of Faribault was responsible for ensuring that the account had adequate funding. Under law governing the consolidation accounts, because Mr. Fritz was an active member of the relief association when consolidation occurred he had two options when he retired: he could choose to receive a retirement annuity computed under the relief association plan provisions which includes local plan post-retirement adjustments, or he could choose retirement benefits and post-retirement adjustments computed under the PERA-P&F plan.

Mr. Fritz chose to receive a relief association plan benefit, which also meant that his post-retirement increases were to be determined under the provisions of that local plan. Likely reasons are because that plan provided him with a higher initial benefit, automatic surviving spouse following his death, and more certainty throughout retirement. His initial benefit under the local plan was \$1,410 per month and the plan provides an annual permanent percentage increase to retirees matching the percentage increase provided to the salary of top grade firefighters. Over time that salary increase is likely to match inflation or provide increases in excess of inflation. Thus, by selecting to have the local plan retirement provisions, Mr. Fritz was likely to have an annuity throughout his retirement that, at a minimum, kept pace with increases in the cost of living.

In contrast, the benefit computed under the PERA-P&F plan provision would have only been \$1,092 per month, and that benefit would have been further reduced to \$1,010 per month if he wanted to provide survivor coverage for his spouse (a 50 percent joint-and-survivor annuity). Adjustments during retirement also posed more risk. Under the applicable PERA-P&F law at the time of his retirement, retirees received an automatic increase matching inflation, but not in excess of 3.5 percent per year, plus an additional permanent increase amount, not tied to inflation, would be paid if excess assets were generated, over rolling five-year periods, by investment returns in excess of 8.5 percent. Under that system there was no guarantee that retirees would be kept whole if inflation was greater than 3.5 percent. What no one could foresee was that the 1990s, particularly the mid- to late-1990s, would be years of exceptionally high investment returns. These good investment years created very high post-retirement adjustments for those who retired with PERA-P&F post-retirement adjustments. The total permanent post-retirement adjustments paid to PERA-P&F benefit recipients was six percent in 1994, four percent in 1995, 6.4 percent in 1996, eight percent in 1997, ten percent in 1998, and 9.8 percent in 1999.

The initial legislation authorizing local police and paid fire relief associations to consolidate with PERA passed in 1987. The legislation was an effort to speed the phase out of these organizations, following earlier 1980 legislation which closed these relief associations to new members. After 1980, any new police officer or paid firefighter had to be covered by the statewide PERA-P&F plan rather than the local

plan. The 1987 legislation authorized the approximately four dozen local police and paid fire relief associations in existence at that time to consolidate with PERA if that action was supported by the relief association and the municipality. If the relief association members wanted to consolidate, and if the municipality supported it and was willing to bear any financial implications of the consolidation account that would be created, then the relief association assets transferred from the relief association to the State Board of Investment (SBI) and responsibility to administer the consolidation account was given to PERA. During the late 1980s and the 1990s, all but four relief associations consolidated with PERA. The four that remain freestanding are the Minneapolis Fire Relief Association, the Minneapolis Police Relief Association, the Virginia Fire Relief Association, and the Fairmont Police Relief Association.

In 1999, legislation passed which impacted Mr. Fritz and all other retirees from consolidation accounts who had benefits determined under local plan provisions. The 1999 legislation (Laws 1999, Chapter 222, Article 4, titled "Merger into PERA-P&F of Local Police and Fire Consolidation Accounts") did away with the existing consolidation accounts by formally merging them into the PERA-P&F fund, unless the municipality insisted that the account remain separate. None wanted to remain separate, so all the existing accounts were merged into PERA-P&F. Provisions were included in the legislation to have any municipality which had a consolidation account with a lower funding ratio (assets divided by liabilities) than PERA-P&F make additional contributions over a ten-year period. Municipalities which had an account with a higher funding ratio than PERA-P&F were given a refund of excess assets. The provision in that 1999 legislation relevant to Mr. Fritz's situation was language which permitted individuals, who had post-retirement adjustments computed under local plan provisions, to have an election allowing them to choose prospective post-retirement adjustments under the PERA-P&F plan rather than the local plan.

This provision was included in the legislation because individuals who had local plan post-retirement adjustments wanted that provision. During much of the 1990s, their adjustments had lagged noticeably behind those provided by PERA-P&F. Many were interested in switching. Mr. Fritz was one of many who chose to shift to PERA-P&F adjustments. PERA has a notarized document signed by him dated June 7, 1999, received by PERA on June 10, 1999, in which he elected to have prospective PERA-P&F adjustments rather than continuation of local plan adjustments. His first increase under PERA-P&F provisions was for the year commencing of January 1, 2000.

The benefit adjustments provided under the PERA-P&F post-retirement provision continued to provide very high adjustments for a few more years, before collapsing during this decade. The calendar year 2000 adjustment was 11.1 percent, followed by a 9.5 adjustment the following year. A 4.5 percent adjustment was paid in 2002, before the recession that occurred around the time of the events of September 11, 2001 began to reveal fatal flaws in the procedure used to compute and pay these adjustments.

Because of the very high annuity increases granted during the 1990s through 2002, when the recessions of the current decade occurred, the annuities quickly became underfunded. The permanent nature of these increases added to plan liabilities. At the same time, asset values were decimated by the weak to terrible investment markets during much of this decade. A system based on investment returns (increases in asset values) to finance and to generate post-retirement increases cannot function when investment markets are stagnant or strongly declining. Following the events of 2001-2002, the post-retirement increase paid under PERA-P&F plan provisions in 2003 was 0.7 percent, followed by 2.1 percent in 2004 and by 2.5 percent thereafter. The increases during much of this decade were paid because the law specified that they had to be paid; the post-retirement adjustment provision (Minnesota Statutes, Sec. 11A.18) mandated a payment matching inflation up to 2.5 percent. (The requirement to match inflation up to 3.5 percent had been revised to 2.5 percent during the late 1990s.) However, the pension fund was not generating sufficient assets to cover even these minimal increases, which caused the funding level of the fund which pays these annuities, the Minnesota Post Retirement Investment Fund (Post Fund), to further decline.

The Post Fund was a fund invested by SBI and used by PERA-P&F and by all of the statewide pension plans to pay annuitant benefits and to generate and pay post-retirement increases. When an individual retired, assets sufficient to pay the computed annuity for expected lifetime of the individual (referred to as the full actuarial reserves) were transferred from the applicable pension plan to the Post Fund. These assets were sufficient to finance the annuity and cover the expected annual partial inflation match (up to 3.5 percent, or 2.5 percent, depending upon the time period), if the pension fund earned at least an 8.5 percent annual return. However, given the payouts and recessions of the current decade, these pensions quickly went from being fully funded to being seriously underfunded. Legislation in 2008 (Laws 2008, Ch. 349, Art. 1, Sec. 1, and Art. 2, Sec. 1-2) included provisions to dissolve the Post Fund if the Post Fund funding ratio fell below 80 percent. That reflected a belief that if the funding ratio fell below that level, it would not be practical to assume the Post Fund could ever return to full funding within the expected lifetime of the annuitants. In 2009 the Post Fund did fall below 80 percent and it was dissolved. The applicable share of Post Fund assets was distributed to

each of the participating pension funds and those assets were merged with the assets of the current active employees, and the pension fund covering active employees also absorbed the liabilities for these retirees.

Discussion and Analysis

Document LCPR09-062 permits James Fritz to receive PERA-P&F post-retirement adjustments for the period 1994-1999 rather than the local plan adjustments he received during that period.

The proposed legislation raises several pension and related public policy issues, as follows:

1. Sufficient Need for the Change. There is no indication that PERA or any other entity harmed Mr. Fritz, justifying the relief he requests. Mr. Fritz was treated appropriately under the applicable laws. The primary motivation for the request seems to be that the proposed legislation would provide Mr. Fritz with larger retirement benefits.
2. Conflict with Commission Policy Principles. The issue is that providing the requested treatment contradicts the Commission's Principles of Pension Policy. Mr. Fritz is requesting retroactive enhanced post-retirement increases, making his 1999 election of PERA-P&F post-retirement benefits retroactive back to his 1993 retirement date. The request can be viewed as contradicting Principle II. C. 14., Benefit Increase Retroactivity, which states that "retroactivity of benefit increases for retirees and other benefit recipients should not be permitted."
3. Purpose Statement Considerations. The issue is that the Commission may wish to amend this legislation by adding a purpose statement specifying unique circumstances justifying the proposed treatment, and thus lessening the likelihood that it would create a precedent leading to many similar requests. Commission staff is currently unaware of any unique circumstance having sufficient merit to justify the proposed treatment, but one may become apparent through testimony.
4. Implications of Reopening Terms of 1999 Consolidation Account Merger Legislation. The proposal amounts to a reopening of the terms of the 1999 PERA-P&F consolidation account merger legislation to provide a further enhanced benefit to a single individual. In reviewing Mr. Fritz's case, Commission staff is not aware of any unique circumstance justifying limiting legislation to Mr. Fritz. Most individuals who elected prospective PERA-P&F post-retirement adjustments following the 1999 legislation would be better off if the PERA-P&F post-retirement benefits adjustments had also been retroactive to their retirement dates, because few if any local plans were providing post-retirement adjustments during that period which exceeded those provided by PERA-P&F. However, whether this is done for Mr. Fritz alone or for the entire group, there is no apparent broad public policy justifying the change, and making this change for many individuals instead of just for one will greatly increase the cost to PERA-P&F. The PERA executive director is likely to argue that PERA-P&F should not bear this additional cost, and may request that the legislation be amended to have the municipalities which had the consolidated relief associations bear the entire cost of this benefit increase.
5. Possible Similar Requests. The issue is that passing legislation for Mr. Fritz will lead to similar requests from other individuals who elected PERA-P&F post-retirement adjustments under the 1999 legislation. Also, whether this legislation passes for one individual or for the whole group, it is likely to encourage others to seek revisions in law which revise effective dates or create retroactive application of elections and benefit improvements, increasing the wealth of the applicable individuals at the expense of the pension fund and its contributors. If relief is given to Mr. Fritz or to all similarly situated individuals, the Legislature may be in a weakened position to deny similar requests by other individuals or groups.
6. Possible Further Requests by Mr. Fritz or Other Similarly Situated Individuals. Mr. Fritz is requesting that the specific terms of an irrevocable election be revised to have his election of PERA-P&F post-retirement increases be retroactive to his 1993 retirement date, rather than commencing in 2000 as specified in the general legislation which authorized that election. In the near future, as Mr. Fritz comes to recognize the likely negative implications of continuing to have prospective PERA-P&F adjustments rather than local plan adjustments, he may seek further legislative changes to again revise the nature of his post-retirement adjustments. When the Post Fund recently was dissolved, the mechanism for computing adjustments was removed from law. In its place, the Legislature specified that 2.5 percent annual adjustments will be paid. The executive directors of PERA, the Minnesota State Retirement System (MSRS), and the Teachers Retirement Association (TRA) recently proposed further reducing post-retirement increases or temporarily halting providing any increase. It is quite possible as we look into the future that the Faribault Fire Relief Association post-retirement adjustment, which provided increases equal to the percentage increase paid to an active duty first grade Faribault firefighter, will

provide higher increases, on average, than continuing to receive PERA-P&F adjustments. Thus, it is possible that Mr. Fritz or others will at some point seek legislation to permit them to have yet another election, this time to allow them to switch back to having prospective adjustments computed under the local plan. It is unlikely that the Legislature would support continued changes requested by retirees when the requested changes have little justification beyond increasing the welfare of certain retiree groups at the expense of the pension systems, when the pension systems are facing extreme stress due to recent market losses, when the requested changes conflict with generally accepted pension policies, and would require changes in the terms of elections that were intended to be irrevocable.

7. Question of Support by PERA and by PERA-P&F Active Members. The issue is whether PERA and the PERA-P&F active membership would support relief for Mr. Fritz or legislation addressing all similarly situated individuals. PERA is likely to oppose the legislation. Active PERA-P&F members are likely to oppose this legislation unless the justification for the legislation is compelling. The active membership may not view this situation as having sufficient merit. The current proposed legislation would add to plan unfunded liabilities while providing no value to active members. However, these active members are likely to be called upon to help retire unfunded liabilities through the employee contributions they must make to the fund. Employee contributions have been increasing in recent years and are likely to increase further in the future, given the enormous asset value hit pension funds took in the recent recession.
8. PERA Administrative Burden. PERA will need to determine the revised current annuity benefit level, and the value of all the past differences between the benefits actually paid and the benefits that would have been paid if the PERA-P&F post-retirement adjustments had been retroactive to the retirement date. This will not be a significant issue if the adjustment is made for only one person. If it is made for all consolidation account retirees, disabilitants, and survivors who elected PERA-P&F post-retirement benefits in 1999, the burden could be substantial.
9. Cost of the Proposal and PERA-P&F Actuarial Condition. The issue is the cost (additional unfunded liabilities) placed on PERA-P&F by the proposed legislation (there is no cost estimate at this time) and the ability of the fund to absorb the additional liabilities. Presumably, PERA can provide a cost estimate for this proposal. The actuarial condition of PERA-P&F according to the most recent actuarial valuation report (July 1, 2009) is shown below. The condition as depicted in this presentation may deteriorate further over the next few years because the presentation is based on the actuarial value of assets rather than market value. The methodology for computing actuarial value of assets smoothes results by delaying the full impact of asset gains and losses on total asset value. Even without full recognition of the impact of the current recession, the current annual contributions to the fund are 6.5 percent of payroll (over \$51 million annually) below that needed to bring the fund to full funding by the full funding date, 2038.

	PERA-P&F 2009		PERA-P&F 2009	
<u>Membership</u>		<u>Financing Requirements</u>		
Active Members	11,035	Covered Payroll		\$786,887,000
Service Retirees	5,213	Benefits Payable		\$310,099,000
Disabilitants	838			
Survivors	1,380	Normal Cost	22.07%	\$173,703,000
Deferred Retirees	1,280	Administrative Expenses	0.13%	\$1,023,000
Nonvested Former Members	911	Amortization	7.79%	\$61,298,000
Total Membership	20,657	Total Requirements	29.99%	\$236,024,000
<u>Funded Status</u>		Employee Contributions	9.40%	\$73,967,000
Accrued Liability	\$6,296,274,000	Employer Contributions	14.10%	\$110,951,000
Current Assets	\$5,239,855,000	Total Contributions	23.50%	\$184,918,000
Unfunded Accrued Liability	\$1,056,419,000			
Funding Ratio	83.22%	Total Requirements	29.99%	\$236,024,000
		Total Contributions	23.50%	\$184,918,000
		Deficiency (Surplus)	6.49%	\$51,106,000

Potential Amendments for Commission Consideration

Amendment LCPR09-062-1A would expand the treatment proposed in the legislation to all similarly situated individuals, providing retroactive adjustments and revised annuities for all individuals who were covered by local plan benefits and who elected PERA-P&F post-retirement adjustments in 1999. This amendment would considerably increase the cost.

Amendment LCPR09-062-2A, an alternative to the -1A amendment, would limit the draft to Mr. Fritz but would shift responsibility for covering the cost of the additional benefits to the City of Faribault, since that city supported the local relief association which covered Mr. Fritz. Payment to cover the additional liabilities would be made to the PERA-P&F fund either in a lump sum, or in annual installments with 8.5 percent interest on unpaid balances. The amendment also includes a local approval clause.

2009 Minnesota Statutes, Section 353.665, Subdivision 5

353.665 MERGER OF CERTAIN CONSOLIDATION ACCOUNTS INTO PERA-P&F.

Subd. 5. Benefit coverage for retirees and benefit recipients. (a) A person who received a service pension, a disability pension or benefit, or a survivor benefit from a merging local police or fire consolidation account for the month of June 1999, and who has not previously elected participation in the Minnesota postretirement investment fund for any future postretirement adjustments rather than the postretirement adjustment mechanism or mechanisms of the relief association benefit plan under section 353A.08, subdivision 1, may elect participation in the Minnesota postretirement investment fund for any future postretirement adjustments or retention of the postretirement adjustment mechanism or mechanisms of the relief association benefit plan as reflected in the applicable provisions of chapter 353B. This election must be in writing on a form prescribed by the executive director and must be made before September 1, 1999.

(b) If an eligible person is a minor, the election must be made by the person's parent or legal guardian. If the eligible person makes no affirmative election under this subdivision, the person retains the postretirement adjustment mechanism or mechanisms of the relief association benefit plan as reflected in the applicable provisions of chapter 353B.

(c) The survivor benefit payable on behalf of any service pension or disability benefit recipient who elects participation in the Minnesota postretirement investment fund must be calculated under the relief association benefit plan in effect on the effective date of consolidation under chapter 353A as reflected in the applicable provisions of chapter 353B.

1.1 moves to amend S.F. No.; H.F. No., Document LCPR09-062,
1.2 as follows:

1.3 Delete everything after the enacting clause and insert:

1.4 "Section 1. Minnesota Statutes 2008, section 353.665, is amended by adding a
1.5 subdivision to read:

1.6 **Subd. 5a. RETROACTIVE APPLICATION OF POSTRETIREMENT**
1.7 **ADJUSTMENT ELECTION.** Notwithstanding subdivision 5, the executive director
1.8 shall recompute the annuity for each surviving person on the effective date of this section
1.9 who elected under subdivision 5 to receive future postretirement adjustments under law
1.10 applicable to the public employees police and fire retirement plan rather than the local
1.11 plan. The annuity must be recomputed as though the public employees police and fire
1.12 retirement plan postretirement adjustments had applied from the effective date of the
1.13 person's service pension, disability pension, or survivor benefit, whichever is applicable,
1.14 rather than commencing on January 1, 2000.

1.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.16 Sec. 2. **LUMP SUM PAYMENT.**

1.17 The executive director of the Public Employees Retirement Association shall
1.18 compare the monthly benefit which would have occurred under the recomputed annuity
1.19 specified in Minnesota Statutes, section 353.665, subdivision 5a, to the monthly benefits
1.20 actually paid. Within six months following the effective date of this section, the executive
1.21 director shall pay to the eligible person the accumulated differences in those monthly
1.22 payment streams, with 8.5 percent annual compound interest. This payment must be
1.23 in a lump sum.

1.24 **EFFECTIVE DATE.** This section is effective the day following final enactment."

1.25 Amend the title accordingly

1.1 moves to amend S.F. No.; H.F. No., Document LCPR09-062,
1.2 as follows:

1.3 Page 2, delete line 13 and insert:

1.4 "Sec. 2. **PAYMENT BY THE CITY OF FARIBAULT.**

1.5 (a) The executive director of the Public Employees Retirement Association shall
1.6 determine the present value of additional benefits for an eligible person under section 1
1.7 using an 8.5 percent annual interest rate assumption.

1.8 (b) The city of Faribault must make an additional municipal contribution or
1.9 contributions sufficient to cover the additional liabilities computed under paragraph (a)
1.10 due to the additional benefits for the eligible person. The additional municipal contribution
1.11 or contributions must be deposited in the public employees police and fire retirement plan
1.12 fund. The city of Faribault may cover these additional liabilities by making a single
1.13 lump sum payment on or before January 1, 2011, or by payment of annual installments
1.14 from January 1, 2011, to December 31, 2020, with unpaid balances accruing interest at
1.15 8.5 percent compounded annually.

1.16 Sec. 3. **EFFECTIVE DATE; LOCAL APPROVAL.**

1.17 Sections 1 and 2 are effective the day after the governing body of the city of
1.18 Faribault and its chief clerical officer timely complete their compliance with Minnesota
1.19 Statutes, section 645.021, subdivisions 2 and 3."

1.1 A bill for an act
 1.2 relating to retirement; public employee police and fire retirement plan;
 1.3 authorizing a certain retired Faribault firefighter to receive revised postretirement
 1.4 adjustments retroactive to retirement date.

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

1.6 Section 1. **PERA-P&F; EXCEPTION TO PROSPECTIVE POSTRETIREMENT**
 1.7 **ADJUSTMENTS UNDER 1999 CONSOLIDATION MERGER ELECTIONS.**

1.8 (a) Notwithstanding Minnesota Statutes, section 353.665, subdivision 5, which
 1.9 specifies that, for persons who had retired with local plan benefits and local plan
 1.10 postretirement adjustments, any election permitted under that provision of public
 1.11 employees police and fire retirement plan postretirement adjustments in lieu of continued
 1.12 adjustments under local plan provisions was prospective only, a qualified person described
 1.13 in paragraph (b) shall receive the revised annuity and benefits specified in paragraph (d).

1.14 (b) An eligible person is a person who:

1.15 (1) was born September 2, 1943;

1.16 (2) was an active member of the Faribault Fire Department Relief Association when
 1.17 that association consolidated with the Public Employees Retirement Association in 1991;

1.18 (3) retired September 18, 1993, selecting benefits provided under the local plan
 1.19 rather than the public employees police and fire retirement plan; and

1.20 (4) elected under Minnesota Statutes, section 353.665, subdivision 5, on an
 1.21 election form dated June 7, 1999, to terminate local plan postretirement adjustments
 1.22 and commence prospective postretirement adjustments under provisions of the public
 1.23 employees police and fire retirement plan.

2.1 (c) For an eligible person under paragraph (b), the executive director of the Public
2.2 Employees Retirement Association shall recompute the annuity as though public
2.3 employees police and fire retirement plan postretirement adjustments had applied from the
2.4 person's retirement date.

2.5 (d) The executive director shall compare the monthly benefit which would have
2.6 occurred under the annuity specified in paragraph (c) to the monthly benefits actually paid.
2.7 Within six months following the effective date of this section, the executive director
2.8 shall pay to the eligible person the accumulated differences in those monthly payment
2.9 streams, with 8.5 percent annual compound interest. This payment must be in a lump sum.
2.10 Prospectively, the eligible person shall receive monthly annuity payments consistent with
2.11 public employees police and fire retirement plan postretirement adjustments retroactive
2.12 from the retirement date.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.