



TO: Members of the Legislative Commission on Pensions and Retirement
 FROM: Ed Burek, Deputy Director *EB*
 RE: S.F. 998 (Hayden); H.F. 884 (Nelson): PERA-Correctional; Adding Probation Officers, 911 Dispatchers, and Hennepin County Security Guards to Plan Coverage
 DATE: October 28, 2013

General Summary of S.F. 998 (Hayden); H.F. 884 (Nelson)

S.F. 998 (Hayden); H.F. 884 (Nelson) adds to the Local Government Correctional Service Retirement Plan (PERA-Correctional) public employees who are probation officers, 911 dispatchers, and those employed by Hennepin County as security guards.

Background Information on Relevant Topics

Attachment A provides background information on PERA-Correctional.

Discussion and Analysis

As indicated in the background document, PERA correctional plans have not been enthusiastically supported by local government units. The first PERA plan for correctional employees, created by 1987 laws, was never implemented because no employing unit elected to participate in the plan. The current Local Government Correctional Service Retirement Plan (PERA-Correctional), created in 1997, has a restricted coverage group. To be a covered plan member, the individual must be certified by the employing unit as being employed in a county correctional facility as a correctional guard or a joint jailer/dispatcher, or someone who directly supervises these individuals, who is responsible for direct security and control of the facility and its inmates, and is trained and expected to respond to incidents within the facility. The only other individuals included for coverage are employees of the Hennepin Healthcare System employed as protection officers, responsible for security, and trained and expected to respond to incidents in the facility. These Hennepin Healthcare System employees were added to coverage in 2002. There have been several other efforts to expand coverage, but none has been approved by the Commission and Legislature.

The 2002 Session bill, S.F. 1605 (Pogemiller); H.F. 2112 (Smith), adding Hennepin County Medical Center Protection Officers to PERA-Correctional, was heard by the Commission at its February 12, 2002, meeting. Minutes from that meeting suggest that the Commission supported inclusion based on strong Hennepin County support for that action, and testimony indicating very high rates of injury to protection officers. A Hennepin County protection officer testified that violence at the Hennepin County Medical Center was increasing, and during the past two to three years nearly all protection officers had suffered an injury.

To summarize efforts by groups to be added to PERA-Correctional coverage or comparable coverage, the following bills and amendments were proposed over the period 2001-2006:

1. 2001 S.F. 1038 (Pogemiller); H.F. 999 (Mares): PERA-Correctional; Inclusion of 911 Dispatchers and Probation Officers would have excluded county employees who are 911 dispatchers or community corrections probation officers from PERA-General membership and included them in PERA-Correctional membership.
2. 2001 Potential Amendment LCPR01-220 (Mares): PERA-Correctional; Inclusion of County Court Bailiffs Not Covered by PERA-P&F, drafted for Representative Harry Mares, would have excluded county court bailiffs who are not covered by the Public Employees Police and Fire Retirement Plan from PERA-General and included them in PERA-Correctional membership.
3. 2002 S.F. 1605 (Pogemiller); H.F. 2112 (Smith): PERA-Correctional; Inclusion of Hennepin County Medical Center Protection Officers. The substance of this bill was enacted in 2002 and excluded Hennepin County Medical Center protection officers from PERA-General membership and included them in PERA-Correctional membership.

4. 2002 S.F. 3422 (Johnson, D.E.); H.F. 3667 (Murphy): MSRS-Correctional and PERA-Correctional; Offering MSRS-Correctional Coverage to State Probation Officers and PERA-Correctional Coverage to County or Local Probation Officers offered probation officers coverage in either the state or PERA correctional plan, depending upon their employer and on whether they had sufficient inmate or released inmate contact.
5. 2006 S.F. 3153 (Pogemiller); H.F. 3581 (Smith): Creating New Retirement Plan for Probation Officers and 911 Operators would have created a separate retirement plan, similar in benefit structure to the PERA-Correctional plan, for probation officers and 911 operators.

With the exception of the 2002 Session bill for the Hennepin County Medical Center protection officers, none of these proposals were recommended to pass by the Commission nor were enacted.

During the 2001-2002 Legislative Interim, the Commission studied the issue of proper coverage for 911 dispatchers, probation officers, and county bailiffs. Regarding the 911 dispatchers and the probation officers, one complication in defining a coverage group to be included in any legislation was the wide variation across employers in position titles. When the Commission attempted to gather information on the employment positions and personnel to be included in this type of public pension coverage during the 2001-2002 interim, despite only partial cooperation from local government employing units and consequent incomplete reporting, 62 different occupational titles were identified as post-sentencing officers or emergency dispatchers, as indicated below. If PERA-Correctional coverage were to be extended, this might lead to difficulties correctly identifying those to be included.

<u>911 Dispatchers</u>	<u>Community Corrections/Probation Officers</u>
911 Call Taker	Career Agent
911 Center Coordinator	Career Probation/Parole Officer
911 Database Manager	Comm Corr Wkr 1
911 Dispatch Lieutenant	Comm Corr Wkr 2
911 Dispatch Sergeant	Comm Corr Wkr 3
911 Dispatcher	Correctional Officer
911 Dispatcher Supervisor	Corrections Agent
911 Dispatcher/Jailer	Court Services Director
911 Dispatcher/Jailer/Clerk	Court Services Officer
911 Dispatcher/Records	Part-time Correctional Officer
911 Dispatcher/Records Supervisor	Part-time Probation Officer
911 Lead Dispatcher	Probation Agent
911 Public Safety Dispatcher	Probation Officer
Assistant Jail Administrator	Probation Officer I
Asst. Dir. of Emergency Communications & Records	Probation Officer II
Chief 911 Dispatcher	Probation Officer III
Civilian Communication Officer	Probation/Parole Officer
Communication Shift Supervisor	Program Coordinator
Communication/Dispatch Sergeant	Senior Agent
Communications Sergeant	Senior Probation Officer
Confidential Exec Secy/911 Dispatcher	Senior Probation/Parole Officer
Director of Emergency Communications & Records	
ECC Manager	
ECC Shift Supervisor	
Emergency Comm Specialist	
Fire Dispatcher	
Head 911 Dispatcher	
Jail Administrator	
Jailer/911 Dispatch Administrator	
Lead 911 Dispatcher	
Part-time 911 Dispatcher	
Part-time 911 Dispatcher/Jailer	
Part-time 911 Dispatcher/Jailer/Clerk	
Part-time 911 Dispatcher/Records	
Police Dispatcher	
Public Safety Answering Point (PSAP) Supervisor	
Public Safety Dispatcher	
Radio Dispatcher 1	
Sheriff's Telecommunicator	
Telecommunicator	
Terminal Agency Coordinator	

During the Commission's consideration of the 2001-2002 Interim study, several testifiers stated that their duties caused them considerable stress, and that because of that stress they should be permitted to retire early. They requested being placed in PERA-Correctional rather than continuing in PERA-General. PERA-Correctional has a normal retirement age of 55 while the normal retirement age in PERA-General is age 65 or 66.

However, job stress has not been used as a general criterion for deciding whether correctional plan coverage is appropriate; physical danger is used, but not job stress. To implement the physical danger component, the few positions currently covered by PERA-Correctional (correctional guards, correctional officers, joint jailer/dispatchers, Hennepin County Medical Center protection officers) include an additional requirement for plan coverage: the person must be trained and expected to respond to incidents within the facility. In contrast, performing 911-operator duties does not place the individual in physical danger. At times, community corrections/probation officers may be in situations which expose them to physical danger. However, the Commission's 2001-2002 review included information that disability rates for community corrections/probation officers were not significantly different than those of other occupations were not seeking enhanced pension coverage.

Although job stress has not been used as a decision rule for placing individuals in a public safety or quasi-public safety plan, rather than a general employee plan, material gathered for the 2001-2002 study suggested considerable diversity in the employment conditions and responsibilities of the various post-sentencing officers and 911 dispatchers across the state. As employment conditions and responsibilities varied, so would the likely stress of the position. Among 911 dispatchers, a sizable majority of the job positions involved multiple responsibilities. The individuals were dividing their time between handling emergency calls and various other tasks. In part, this may be a response by the employer to the stressful nature of handling emergency calls. To help minimize that stress, other duties are assigned to the employees so only part of the workday involves handling these stressful calls. In other cases, there may not be enough emergency call activity to justify having one or more people concentrate entirely on that activity for a full workday. Addressing the stress problem by this blending of stressful and non-stressful duties may be a far more efficient solution than placing 911 operators in a plan which has a low normal retirement age. Information obtained for the 2001-2002 interim study suggested that many employers were in fact taking that blending-of-duties approach. Another tool which can be used is to develop a career path which completely phases out the individual from 911 duties into other less stressful duties as the individual ages.

Post-sentencing officer positions involve a narrower range of employment responsibilities than emergency dispatchers, but the extent of the stress and physical threat danger throughout probation employment statewide was not clear. While dangerous occurrences undoubtedly do occur, employer representations in 2001 indicated that the level of danger and the frequency of occurrences was overstated by the post-sentencing officers and did not differ in their nature or severity when compared to governmental social workers, a group not yet proposed for enhanced retirement coverage.

Following the 2001-2002 interim study, the Commission established a task force during the 2002-2003 interim to gather information regarding proper retirement coverage for probation officers and emergency dispatchers under the MSRS Correctional State Employees Retirement Plan (MSRS-Correctional) or the PERA-Correctional Plan. The task force consisted of 11 members, with a 24-person ancillary committee of interested parties. The task force included administrators from MSRS and PERA, representatives from the League of Minnesota Cities, the Minnesota Department of Corrections, the Metropolitan Inter-County Association (now renamed as the Minnesota Inter-County Association), and representatives from the Minnesota Association of Professional Employees (MAPE), the Teamsters Local 320, and the American Federation of State, County and Municipal Employees (AFSCME).

The task force identified three broad arguments supporting the creation of special retirement coverage for post-sentencing officers and emergency dispatchers and three broad arguments against the special retirement coverage, as follows:

Assembled Supporting Arguments	Assembled Arguments Against
<ul style="list-style-type: none"> • Post-sentencing officers work with criminals who are on probation and are subject to dangerous situations and emergency dispatchers are subject to increased stress levels. • The stress levels and increased workloads suggest enhanced retirement coverage. • Several states have recognized the dangers and stress of post-sentencing officer and emergency dispatcher occupations and have provided enhanced retirement benefits. 	<ul style="list-style-type: none"> • Workers compensation claims by post-sentencing officers and emergency dispatchers do not support the need for additional coverage. • Cities, counties and the state cannot afford the increased contributions required under the enhanced program. • Many different groups can make arguments for enhanced retirement benefits due to stress and increased workloads and other groups will be asking for enhanced benefits.

The Advisory Task Force did not reach a consensus on all elements of the design and nature of the special retirement coverage, but did conclude that creation of some form of special retirement coverage was appropriate.

During October 2003, Chris Cowen, AFSCME, and Sherry Munyon, Minnesota Association of County Probation Officers, proposed using elements suggested by the task force with some adaptations. They suggested creating a separate pension plan for 911 dispatchers and probation officers which would use a formula multiplier (accrual rate) of 1.9%, identical to that of PERA-Correctional; have disability eligibility and benefits based on PERA-General rather than PERA-Correctional; include the person in coverage if the majority of the person's employment time was spent performing 991 dispatcher or probation officer tasks; and have PERA administer the plan.

The 2006 bill mentioned previously can be viewed as an effort to implement the Task Force recommendations, but the bill was not heard.

S.F. 998 (Hayden); H.F. 884 (Nelson) is the most recent effort to provide enhanced pension coverage for probation officers and 911 dispatchers. Hennepin County security guards are also included. The proposal would place the individuals in PERA-Correctional.

S.F. 998 (Hayden); H.F. 884 (Nelson) raises a number of pension and related public policy issues for consideration by and possible discussion by the Commission, as follows:

1. Inclusiveness of Job Titles. The policy issue is whether the job titles used in the bill (probation officer and 911 system dispatcher) are adequate to identify included positions given the large number of different job titles used for these positions or closely related positions in local government units as identified in the Commission 2001-2002 interim study. For titles that do not agree exactly with the titles used in the bill, the employees, counties, and PERA may disagree on whether specific individuals are covered.
2. Lack of Inclusion of Supervisors. The issue is the lack of inclusion in the coverage group of those who directly supervise probation officers, 991 dispatchers, or Hennepin County security guards. These employees may help perform some these activities when the immediate work load requires it, and employees might be reluctant to accept promotion to a supervisory position if that meant that they would have to change to PERA-General coverage for the new employment. The current law covered employee provision does permit inclusion of supervisors of county correctional guards and supervisors of joint-jailer/dispatchers.
3. Lack of Standards for Inclusion. The issue is the lack of standards for inclusion. There is no language in the current bill to define the specific nature of the probation officer, 911 dispatcher, or security guard service necessary to qualify for inclusion, including at least a requirement that the majority of the person's employment involve performing specific 911, probation officer, or security guard service.
4. Further Questions: Hennepin County Security Guards. Regarding the proposed inclusion of Hennepin County security guards, where specifically are these individuals providing security and what is the specific nature of the employment? Are they comparable to the Hennepin County Medical Center protection officers who have been covered by PERA-Correctional since 2002? If they are, that would be an argument for inclusion, but why were they not identified and added earlier? If there is sufficient justification for adding Hennepin County security guards to PERA-Correctional plan coverage, why not similar employees in other counties? The proposal does not include security guards in counties other than Hennepin.
5. Question of Past Service Coverage. The bill does not address the question of past service. If the nature of the current employment deserves coverage by PERA-Correctional, then employees may argue that past service in the same or similar positions ought to be transferred to PERA-Correctional. The bill does not include language permitting that transfer. If transfer language were to be included, the terms would have to be determined, and those may have a financial impact on PERA-Correctional and on the plan from which coverage is transferred, PERA-General. If past service does not transfer, that may cause a problem if the individuals attempt to retire early, even if they were to wait until somewhat after the PERA-Correctional Plan age 55 normal retirement age. PERA-General has an age 65 or 66 normal retirement age, causing the individual to have a sizable early retirement reduction on the portion of the total combined annuity coming from PERA-General.

The last expansion of the PERA-Correctional Plan, adding the Hennepin County Medical Center protection officers in 2002, did not include any provision permitting transfer of past coverage.

6. Style, Structure Problem. The style or structure used in the bill may create some confusion, including questions about double coverage. In the existing language of Minnesota Statutes, Section 353E.02,

Subdivisions 2 and 2a, which specifies requirements that must be met for correctional service employees and medical center protection officers to be included in PERA-Correctional coverage, both of these existing subdivisions include a requirement that the person must be a “public employee” as defined under PERA statutes, but not a member of the Public Employees Police and Fire Retirement Plan (PERA-P&F). But the language used in the bill to add new coverage groups (lines 1.11-1.16), simply says that the person must be a “public employee” and employed as a probation officer, 911, system dispatcher, or as a Hennepin County security guard. Some of these individuals may be members of PERA-P&F. The bill language suggests they must be members of this plan instead of PERA-P&F, or the language could possibly be read as permitting coverage simultaneously by both plans.

7. Position-Specific Disability Standard; Other Disability Issues. The issue is whether it is appropriate to include 911 dispatchers and probation officers in PERA-Correctional when previous reviews of pension coverage for these job categories concluded that the public safety nature of the disability provisions in PERA-Correctional is not a good fit for these employees. Those who provide 911 services are not in physical danger when performing those duties. The activity might be stressful. Stress is better relieved by employment practices which mix 911 duties with other non-stressful duties, or by rotating individuals out of 911 service. Materials collected for the 2001-2002 interim study indicated that many employers are taking those actions. That is a far more direct and efficient way of addressing these issues than declaring these people to be disabled and providing them with a disability benefit. Regarding the proposed inclusion of probation officers, it would be useful to know whether more recent evidence based on workers’ compensation claims or frequency and nature of disability indicate high rates of disability for this group. Evidence did not support that when the Commission last reviewed the matter. Regarding the proposed inclusion of Hennepin County security guards, it would be useful to know how similar their work responsibilities are to the medical center protection officers currently covered by the plan.
8. Unknown Cost to Plan. The policy issue is the cost to the plan of the proposed expansion. Commission staff understanding is that no actuarial work has been performed on the cost implications and changes in required contributions due to this bill, unless something is made available to the Commission when the bill is heard. The proposal appears to be a considerable expansion of the covered plan membership group. If the individuals proposed for coverage under this bill have different average age or other characteristics compared to the group currently covered, this can alter the cost of plan provisions and plan contribution needs. This could eventually change the employee and employer contribution rates in the plan, impacting not only the new coverage group employees and employers but also those currently in the plan.
9. Extent of Employer and PERA Support. The issue is the extent of employer support for this proposal, and whether the proposal has support from the PERA executive director and board of trustees. The Commission may wish to hear testimony on that matter. Because of unknown cost implications of this coverage expansion, employing units of employees currently covered by the plan may have concerns.
10. Precedent. The policy issue is that the proposed expansion will become a precedent for further extensions. If the current bill were to pass, the Commission may wish to consider that many governmental employees have stressful employment, including some physical hazard potential. Such employees include social workers, building and housing inspectors, public health personnel, construction zone flag persons, school bus drivers, snow plow drivers, and security guards working for jurisdictions other than Hennepin County. If successful, the proposed legislation will likely become the impetus for some or all of these groups to seek special enhanced retirement coverage.

Potential Amendments for Commission Consideration

Given the numerous issues with this bill, and without knowing factors which might be used to create subdivisions comparable to subdivisions 2 and 2a in existing law for new included employee groups, Commission staff has not attempted to draft amendments.

Background Information on the PERA Local Government Correctional Service Retirement Plan

1. Creation; General Background. The Local Government Correctional Employees Retirement Plan of the Public Employees Retirement Association (PERA-Correctional) was initially established in 1987 (Laws 1987, Ch. 372, Art. 1, Sec. 9-18). The 1987 plan was available to essential correctional facility employees employed by Dakota County, Hennepin County, Ramsey County, Washington County, or by a joint-powers correctional agency in which St. Louis County or its municipalities participate, if the employer elected to participate in the plan. The plan was enacted into law due to preliminary interest from those counties in establishing a local correctional plan providing benefits similar to the Correctional State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional). Due to the cost of the plan compared to general employee plans and other factors, no employing unit ever elected to participate in the plan.

Eventually, as part of the 1997 benefit increase legislation, the Commission recommended a repeal of the plan, given the inconvenience and cost of maintaining and revising a plan which had no membership, and because its benefit and contribution rate provisions had features which were no longer consistent with current pension policy. The Commission felt that if, at some future time, local and county governments were willing to support a plan and there was clear need for a plan offering specific features geared to the needs of various local correctional groups, new provisions could be enacted. In 1997, the plan was repealed (Laws 1997, Ch. 233, Art. 1, Sec. 78, Para. (b)).

In 1998 (Laws 1998, Ch. 390, Art. 9), in part as a reaction to the 1997 repeal, special duty disability coverage was extended to local government correctional employees, augmenting the coverage of the PERA General Employees Retirement Plan (PERA-General), with an additional member and employer contribution requirement by or on behalf of the local government correctional employees. Correctional employees, for purpose of the 1998 enhanced PERA disability coverage, were defined as persons who are essential employees under the Public Employees Labor Relations Act (PELRA) working at a county administered or regional jail or correctional facility and who have at least 75% direct inmate contact.

In 1999, after a Commission interim study and following considerable deliberation and controversy, the Commission recommended and the Legislature enacted a second PERA local government correctional employees retirement plan. The Local Government Correctional Service Retirement Plan (PERA-Correctional) was developed in response to public employee demands for improved retirement coverage beyond the PERA-General Retirement Plan and beyond the 1998 special local government correctional employee duty disability coverage. Like PERA-General and unlike the Public Employees Police and Fire Plan (PERA-P&F), PERA-Correctional is coordinated with Social Security, meaning that in addition to coverage by the Minnesota public plan, the member pays into the Social Security System for the PERA-Correctional employment and will receive eventual benefits from Social Security due to the employment. Because members are also covered by Social Security, the benefits from coordinated plans are less than those from PERA P&F, in recognition of that additional coverage.

As developed in 1999, the PERA-Correctional plan initially applied to a local government employee who:

- 1) is employed in a county administered jail or correctional facility or regional correctional facility administered by multiple counties;
- 2) spends 95% of working time in direct contact with persons confined in the jail or facility, certified in advance by the employer; and
- 3) is otherwise eligible for PERA-General plan membership, but not a member of the Public Employees Police and Fire Plan (PERA-P&F).

In 2000, the PERA-Correctional eligibility requirements were further revised at the request of the Association of Minnesota Counties. The 95% inmate contact requirement was removed but the eligible positions were narrowed. As revised the coverage group consisted of employees certified by the employer:

- 1) as employed in county correctional institution (newly defined term);
- 2) as employed as correctional guard or officer, joint jailer/dispatcher, or supervisor of correctional guards or officers or of joint jailers/dispatchers;

- 3) as directly responsible for security, custody and control of correctional institution and inmates;
- 4) as expected to respond to institutional incidents as part of regular employment duties and is trained to make that response; and
- 5) is eligible for PERA-General plan membership, but not a member of PERA-P&F.

In 2002, the PERA-Correctional coverage group was expanded to include individuals certified by the employer:

- 1) as employed by Hennepin Healthcare System, Inc. as a protection officer;
- 2) as being directly responsible for the security of the medical center;
- 3) as expected to respond to incidents in the medical center as part of regular employment duties and is trained to make that response; and
- 4) is otherwise eligible for PERA-General plan membership, but not a member of PERA-P&F.

2. PERA-Correctional Plan Benefits. The primary attraction for the employee of PERA-Correctional plan coverage, compared to PERA-General coverage, is that PERA-Correctional uses a higher accrual rate to compute the annuity (1.9% per year of service rather than 1.7%), has duty-specific disability eligibility rather than a total and permanent disability eligibility requirement, and has a much lower normal retirement age (age 55 rather than age 65 or 66). Details of PERA-Correctional plan benefits are as follows:

- a. Retirement Annuities. Retirement annuities for covered service under the plan will be computed with a 1.9% accrual rate per year, with a high-five average salary defined as the highest average for any five years of successive service. The normal retirement age is age 55. Retirement may occur as early as age 50 with an actuarial reduction.
- b. Disability Benefits. Disability benefits under the plan are computed like a normal retirement annuity, except without any reduction due to early receipt. For duty-related disability (a disability incurred while performing employment duties which reflect the inherent dangers of the occupation) the minimum disability benefit is equal to a 25 year service pension, with an additional 1.9% of the high-five average salary for each year of service in excess of years. For a regular disability (a disability incurred while not at work or while at work but not while performing employment duties which reflect inherent danger) the minimum regular disability benefit is based upon ten years of service. Optional annuities may be elected.
- c. Survivor Benefits. If a vested active or deferred plan member dies after attaining age 50 but before other benefits become payable, the surviving spouse is entitled to a 100% joint and survivor annuity for which the member would have qualified for on the date of death. In lieu of the joint and survivor annuity, the survivor of an active or deferred member who was at least age 50 at death may elect a 10, 15, or 20 year term-certain annuity. If the member was under age 50 at the time of death, the survivor is entitled to a reduced 100% joint and survivor annuity based on the age of the employee and spouse on the date of the employee's death. The annuity reduction is a full actuarial reduction to age 50 and one-half of a full actuarial reduction from age 50 until the age payment begins. Deferred annuity augmentation would apply. A survivor benefit may be paid to a dependent child or children if there is no surviving spouse, with the benefit terminating at age 20 or five years after commencement of the benefit, whichever is later.
- d. Combined Service Provisions. The plan is included under the combined service annuity, disability, and survivor provisions.
- e. Post-Retirement Adjustments. Benefits may be increased each January 1 by 1% if the funding ratio is less than 90% and by 2.5% if the funding ratio is at least 90%. Prorated adjustments are made if the person is retired less than one year.
- f. Termination Refund. Upon termination of membership, with any length of service credit, a refund is payable of the member's contributions with 4% interest compounded annually. A deferred annuity may be elected in lieu of a refund if the person is vested.
- g. Deferred Annuity. A deferred retirement annuity is payable at the normal retirement age to a person who is vested with the benefit computed under law in effect at termination. If the termination occurs after 2011, no deferred annuity augmentation applies. For a member hired before July 1, 2006, and if the termination occurred before 2012, the annuity is augmented (increased) by 3%, compounded annually, until January 1 of the year following the attainment of

age 55, and 5% thereafter, until the annuity begins if the annuity commences before 2012. From January 1, 2012, the annuity will augment at a rate of 1%.

3. Actuarial Condition and Funding of PERA-Correctional. The following table shows the actuarial valuation results for the PERA-Correctional plan for the most recent fiscal years:

**PERA-Correctional
Actuarial Valuation Results**

	FY2012		FY2011		FY2010		FY2009	
<u>Membership</u>								
Active Members		3,460		3,510		3,521		3,715
Service Retirees		429		373		308		267
Disabilitants		153		133		116		101
Survivors		25		22		18		18
Deferred Retirees		2,091		1,981		1,895		1,683
Nonvested Former Members		<u>1,727</u>		<u>1,624</u>		<u>1,605</u>		<u>1,525</u>
Total Membership		7,885		7,643		7,463		7,309
<u>Funded Status</u>								
Accrued Liability		\$343,199,000		\$284,593,000		\$248,867,000		\$229,383,000
Current Assets		<u>\$306,454,000</u>		<u>\$274,704,000</u>		<u>\$242,019,000</u>		<u>\$217,577,000</u>
Unfunded Accrued Liability		\$36,745,000		\$9,889,000		\$6,848,000		\$11,806,000
Funding Ratio	89.29%		96.53%		97.25%		94.85%	
<u>Financing Requirements</u>								
Covered Payroll		\$171,043,000		\$173,157,000		\$170,693,000		\$172,770,000
Benefits Payable		\$4,809,000		\$4,026,000		\$3,353,000		\$2,836,000
Normal Cost	12.64%	\$21,619,000	12.68%	\$21,958,000	12.68%	\$21,642,000	13.26%	\$22,904,000
Administrative Expenses	0.13%	\$222,000	0.13%	\$229,000	0.13%	\$222,000	0.13%	\$227,000
Amortization	<u>1.68%</u>	<u>\$2,874,000</u>	<u>0.61%</u>	<u>\$1,056,000</u>	<u>0.40%</u>	<u>\$685,000</u>	<u>0.64%</u>	<u>\$1,109,000</u>
Total Requirements	14.45%	\$24,715,000	13.42%	\$23,243,000	13.21%	\$22,549,000	14.03%	\$24,240,000
Employee Contributions	5.83%	\$9,972,000	5.83%	\$10,095,000	5.83%	\$9,951,000	5.83%	\$10,073,000
Employer Contributions	8.75%	\$14,966,000	8.75%	\$15,151,000	8.75%	\$14,936,000	8.75%	\$15,117,000
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Direct State Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>
Total Contributions	14.58%	\$24,938,000	14.58%	\$25,246,000	14.58%	\$24,887,000	14.58%	\$25,190,000
Total Requirements	14.45%	\$24,715,000	13.42%	\$23,243,000	13.21%	\$22,549,000	14.03%	\$24,240,000
Total Contributions	<u>14.58%</u>	<u>\$24,938,000</u>	<u>14.58%</u>	<u>\$25,246,000</u>	<u>14.58%</u>	<u>\$24,887,000</u>	<u>14.58%</u>	<u>\$25,190,000</u>
Deficiency (Surplus)	(0.13%)	(\$223,000)	(1.16%)	(\$2,003,000)	(1.37%)	(\$2,338,000)	(0.55%)	(\$950,000)

2013 Minnesota Statutes

353E.02 CORRECTIONAL SERVICE RETIREMENT PLAN MEMBERSHIP.

Subdivision 1. Retirement coverage. The members of the local government correctional service retirement plan established by this chapter are:

- (1) local government correctional service employees as defined in subdivision 2; and
- (2) medical center protection officers as defined in subdivision 2a.

Subd. 2. Local government correctional service employee. (a) A local government correctional service employee, for purposes of subdivision 1, is a person whom the employer certifies:

- (1) is employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers;
- (2) is directly responsible for the direct security, custody, and control of the county correctional institution and its inmates;
- (3) is expected to respond to incidents within the county correctional institution as part of the person's regular employment duties and is trained to do so; and
- (4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire fund.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

(c) A person who was a member of the local government correctional service retirement plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration of the person's employment in that county correctional institution position, even if the person's subsequent service in this position does not meet the requirements set forth in paragraph (a).

Subd. 2a. Medical center protection officer. (a) A medical center protection officer, for purposes of subdivision 1, is a person whom the employer certifies:

- (1) is employed by Hennepin Healthcare System, Inc. as a protection officer;
- (2) is directly responsible for the direct security of the medical center;
- (3) is expected to respond to any incidents within the medical center as part of the person's regular employment duties and is trained to do so; and
- (4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire plan.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

Subd. 3. County correctional institution. A county correctional institution is:

- (1) a jail administered by a county;
- (2) a correctional facility administered by a county;
- (3) a regional correctional facility administered by or on behalf of multiple counties; or
- (4) a juvenile correctional facility administered by a county or on behalf of multiple counties.

**SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE**

S.F. No. 998

(SENATE AUTHORS: HAYDEN, Pappas, Metzen and Tomassoni)

DATE	D-PG	OFFICIAL STATUS
03/04/2013	476	Introduction and first reading Referred to State and Local Government

1.1 A bill for an act
 1.2 relating to retirement; adding certain employees to the local government
 1.3 correctional service retirement plan; amending Minnesota Statutes 2012, section
 1.4 353E.02, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2012, section 353E.02, subdivision 1, is amended to read:

1.7 Subdivision 1. **Retirement coverage.** The members of the local government
 1.8 correctional service retirement plan established by this chapter are:

1.9 (1) local government correctional service employees as defined in subdivision 2; ~~and~~

1.10 (2) medical center protection officers as defined in subdivision 2a;

1.11 (3) a "public employee" as defined in section 353.01 who is employed as a probation
 1.12 officer;

1.13 (4) a "public employee" as defined in section 353.01 who is employed as a 911
 1.14 system dispatcher; and

1.15 (5) a "public employee" as defined in section 353.01 who is employed by Hennepin
 1.16 County as a security guard.

1.17 **EFFECTIVE DATE.** This section is effective July 1, 2013.