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# **Report of the 911 Telecommunicator Pension Benefits Working Group**

*Adopted by the Working Group on January 28, 2022*

*Prepared by Staff of the Legislative Commission on Pensions and Retirement*

*Submitted to the Commission on February 6, 2022*

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## I. Overview

The 2021 Legislature included a provision in the omnibus pension and retirement bill that required the formation of a working group to study the pension benefits of 911 telecommunicators.<sup>1</sup> The session law required the working group to report to the Legislative Commission on Pensions and Retirement (Commission or LCPR) on:

*...whether changes to the pension plan coverage for 911 telecommunicators are appropriate. If the working group finds that such changes are appropriate, the working group must recommend changes to the pension plan coverage for 911 telecommunicators. The recommended changes may include but are not limited to moving 911 telecommunicators to the correctional plans.<sup>2</sup>*

The 911 Telecommunicator Pension Benefits Working Group (Working Group) was established and held its first meeting on July 30, 2021. The Working Group met through the fall of 2021 to gather information and discuss pension benefits for 911 telecommunicators. The Working Group, however, was unable to come to a consensus on whether changes to pension benefits for 911 telecommunicators are appropriate. This report contains a description of the working group, background information regarding 911 telecommunicator pension benefits, a summary of the Working Group's study of 911 telecommunicator pension benefits, and the Working Group's recommendations to the LCPR.

## II. Description of the Working Group

### A. Working Group Membership

The 911 Telecommunicators Pension Benefits Working Group was made up of the following members:

Name and Title	Representing
<b>Dar Pankonie (Chair)</b> President of the Minnesota Chapters of APCO and NENA	Minnesota Association of Public Safety Communications Officials (APCO) and the National Emergency Number Association of Minnesota (NENA)
<b>Matt Hilgart (Vice Chair)</b> Govt. Relations Manager	Association of Minnesota Counties (AMC)
<b>Anne Finn</b> Assistant Intergovernmental Relations Director	League of Minnesota Cities (LMC)
<b>Matt Massman</b> Executive Director	Minnesota Inter-County Association (MICA)

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<sup>1</sup> Laws of Minnesota 2021, Chapter 22, Article 9, Section 1.

<sup>2</sup> Laws of Minnesota 2021, Chapter 22, Article 9, Section 1, Subdivision 2.

Name and Title	Representing
<b>Dana Wahlberg</b> ECN Director	Minnesota Department of Public Safety (DPS)
<b>Doug Anderson</b> Executive Director	Public Employees Retirement Association (PERA)
<b>Erin Leonard</b> Executive Director	Minnesota State Retirement System (MSRS)
<b>Mark Lallak</b> Communications Lieutenant, Itasca County Sheriff's Office	911 telecommunicator employed by a county or municipality
<b>Timothy Boyer</b> Statewide Director of Communications, Minnesota State Patrol	911 telecommunicator employed by the state
<b>Heidi Paumen</b> Correctional Officer, Sherburne County	A participant in the PERA Local Government Correctional Service Retirement Plan, designated by the PERA Board of Trustees
<b>Dan Gorman</b> Correctional Officer, Department of Corrections	A participant in the MSRS Correctional Employees Retirement Plan, designated by the MSRS Board of Directors
<b>Jeremy Hanson</b> Emergency 911 Dispatcher, Itasca County Sheriff's Office	Invited by the LCPR Executive Director
<b>Kirk Oswald</b> 911 Telecommunicator, Rice/Steele 911 Center	Invited by the LCPR Executive Director

The Working Group was advised on issues related to the PERA Local Government Correctional Service Retirement Plan by Wade Laszlo, a retired participant in the plan.

The staff of the LCPR established the Working Group, organized its first meeting, and provided ongoing administrative support, including drafting this report.

## B. Working Group Meetings

The Working Group met six times between July 2021 and February 2022. At its meetings, the Working Group reviewed data, surveys, position statements, and other information, discussed the appropriateness of changing 911 telecommunicator pension benefits and proposed recommendations, and approved this report. The Working Group met remotely via video conferencing technology because of the COVID-19 pandemic. Meeting materials and video recordings of the meetings are available on the LCPR website ([lcpr.mn.gov](https://lcpr.mn.gov)) or upon request from the office of the LCPR.

### III. Background Information on 911 Telecommunicator Pension Benefits

#### A. 911 Telecommunicators

For the purposes of this report, “911 telecommunicators” is the term used to describe the public employees, including supervisors and managers, who receive or otherwise handle emergency calls made through the 911 service or other communication methods to seek emergency services and who are covered by a Minnesota public pension plan. The term does not include federal employees or tribal employees unless the employee is covered by a Minnesota public pension plan.

There are approximately 1,500 911-telecommunicator positions in Minnesota.<sup>3</sup> Except for the 911 telecommunicators employed by the Minnesota Department of Public Safety, all of the 1,500 positions are in county and local governments with most positions at public safety answering points (PSAPs) administered by counties.

#### B. Current Pension Benefits for 911 Telecommunicators

Most the state’s 1,500 911-telecommunicators are covered by the PERA General Employees Retirement Plan (PERA General Plan). However, three small groups of 911 telecommunicators receive pension benefits from a different retirement plan instead.

The first group is employed by several outstate counties that have 911 telecommunicators who also serve as correctional officers in the counties’ jails. Many of these jailer-dispatchers are covered by the PERA Local Government Correctional Service Retirement Plan (PERA Correctional Plan). A survey of 911 telecommunicators conducted by the Working Group identified 93 jailer-dispatchers currently covered by PERA Correctional Plan.<sup>4</sup> The actual number may be slightly higher.

The second group is employed by the Minnesota Department of Public Safety, which is authorized to employ about 81 dispatchers and supervisors in two units located in Roseville and Rochester, respectively. These 911 telecommunicators handle 911 calls and other dispatch duties for state troopers, conservation officers, Department of Corrections probation agents, Bureau of Criminal Apprehension special agents, and Department of Transportation field personnel. As employees of the Department of Public Safety, they are state employees and are covered by the MSRS General Employees Retirement Plan (MSRS General Plan).

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<sup>3</sup> “Overview of 911 telecommunicator positions in Minnesota (state and local government employees) by public safety answering points (PSAP’s),” [Appendix](#) p. A-2, (showing a total of 1,602 positions at PSAPs, statewide, of which 143 positions appear not to qualify for Minnesota public pension coverage; e.g., EMS dispatchers for North Memorial Ambulance Service; the spreadsheet is missing numbers for some outstate PSAPs).

<sup>4</sup> “Survey of 911 Telecommunicators Employed by the State and Local Governments - Survey Results,” Q6, [Appendix](#) p. B-19.

The third group is employed by Hennepin Health Services, which employs about 25 emergency medical dispatchers. These emergency medical dispatchers are certified emergency medical technicians (EMTs) or paramedics and their job duties include paramedic, EMT, and dispatch duties. These emergency medical dispatchers are covered by the PERA Police and Fire Plan.<sup>5</sup>

The following table contains a comparison of the four different pension plans providing pension benefits to 911 telecommunicators:

	<b>PERA General Plan</b>	<b>MSRS General Plan</b>	<b>PERA Correctional Plan</b>	<b>PERA Police and Fire Plan</b>
Approx. No. of 911 Telecommu- nicators covered by plan	1,300	81	93	25
Retirement Formula (percentage of average salary for each year of covered employment)	1.7%	1.7%	1.9%	3%
<u>Employer</u> Contribution Rate (percentage of salary)	7.5%	6.25%	8.75%	17.7%
<u>Employee</u> Contribution Rate (percentage of salary)	6.5%	6.0%	5.83%	11.8%
Normal Retirement Age	66 years old	66 years old	55 years old	55 years old
Early Retirement Age (age at which a person may retire with a reduction for early retirement) <sup>6</sup>	55 years old	55 years old	50 years old	50 years old
Vesting period <sup>7</sup> for newly hired employees	5 years	5 years	50% at 5 years, increasing 10% each year thereafter until 100% vested	50% at 10 years increasing 5% each year thereafter until 100% vested
Coordinated with Social Security (participants receive both their pension benefit and a Social Security benefit for their employment)	Yes	Yes	Yes	No

<sup>5</sup> See Minnesota Statutes, Section 353.64, Subdivision 10.

<sup>6</sup> The MSRS General Plan, PERA General Plan, and PERA Correctional plan each provide for an actuarially equivalent reduction for early retirement. For the PERA and MSRS general plans the reduction for early retirement is greater than 60% for a participant retiring at age 55.

<sup>7</sup> Here, “vesting period” is the period of time that a participant in the plan must work in covered employment before the participant becomes entitled to an annuity benefit. A participant who is 50% vested is entitled to receive 50% of the annuity they would be entitled to if they were 100% vested.

## IV. Summary of the Working Group's Study of 911 Telecommunicator Pension Benefits

The information collected and considered by the Working Group includes detailed survey results, information from agencies, unions, employer associations, and the pension funds, position statements, and testimonials, all of which are included in the appendix to this report (the [Appendix](#)). Four of the topics considered and discussed by the Working Group are also summarized below. The topics are: (A) whether 911 telecommunicator pension benefits should be changed; (B) the cost of changing 911 telecommunicator pension benefits; (C) survey results; and (D) whether 911 telecommunicators should be covered by the PERA Correctional Plan.

### A. Whether 911 telecommunicator pension benefits should be changed

The Working Group was directed to recommend whether 911 telecommunicator's pension benefits should be changed. The Working Group was unable to come to a consensus on this issue. The members of the Working Group expressed positions on this issue that were generally consistent depending on whether the members were 911 telecommunicators, represented city and county government organizations, represented PERA or MSRS, or were a participant in a correctional plan. The positions of each group of Working Group members are summarized below.

#### 911 Telecommunicators

Members of the Working Group who are 911 telecommunicators were in favor of changing pension benefits for 911 telecommunicators. They expressed several concerns with the adequacy of current pension benefits, including the following:

- Employers have historically had difficulty recruiting and retaining 911 telecommunicators and have difficulty filling openings for 911 telecommunicators at many of the public safety answering points (PSAPs) around the state. Enhanced pension benefits would help to recruit and retain 911 telecommunicators.
- 911 telecommunicators are essential to providing public safety to Minnesotans. Other workers who are essential to providing public safety services, like police, firefighters, and correctional officers, receive enhanced pension benefits. 911 telecommunicators should likewise be entitled to enhanced pension benefits.
- The work performed by 911 telecommunicators is hazardous. Exposure to traumatic events exposes 911 telecommunicators to high stress levels, thus susceptible to occupational mental and physical impairment. The 911 telecommunicators interface with the public at a higher daily rate than any other public safety responders. Their exposure is further influenced by the nature of not knowing the outcome of many of their interactions. Emotional and mental health resiliency are crucial for the 911 telecommunicator.

- 911 telecommunicator essential functions require technical aptitude, sharp acuity skills, and stable mental and emotional health. As 911 telecommunicators age, these skills decline, causing them to become less effective at their job. The normal retirement age of the PERA and MSRS General Plans is not early enough for aging 911 telecommunicators.

## **City and County Government Organizations**

Members of the Working Group who represent city and county government organizations were not in favor of changing pension benefits for 911 telecommunicators. They expressed several concerns with changing the current benefit arrangement, including the following:

- Employer representatives noted that a significant factor for establishing and providing enhanced pension benefits to police, firefighters, and correctional officers is that there is an element of physical danger inherent in their duties. The duties of 911 telecommunicators do not place them in the same physical danger as correctional officers.
- While the role of 911 telecommunicators often involves unique and stressful work, government employers noted multiple other public employee classifications that also involve mentally and emotionally demanding work. As such, public employers expressed concerns about providing enhanced pension benefits and lowering the retirement age for 911 telecommunicators, but not for employees in similarly stressful careers.
- There is insufficient evidence to substantiate employee group claims that 911 telecommunicators' ability to perform their duties degrades significantly with age.
- Local government groups acknowledged that the recruitment and retention of 911 telecommunicators is challenging while also noting national and statewide trends that point to several employment challenges in a variety of public employment classifications. Government employers noted that pension benefits are one of several forms of employee compensation and may not equitably provide benefits to all those who serve as a 911 telecommunicator. Moreover, employers noted that early retirement may serve to exacerbate workforce shortages. Cities and counties suggested that local governments should be implementing a wide variety of means for increasing recruitment and encouraging retention, including reassessing flexible scheduling options, reviewing compensation schedules, and partnering with the state to provide additional mental health supports.
- Local government employers also questioned what lowering the retirement age and increasing benefits would cost, what mechanisms would be used to pay for a benefit change, and what the ongoing costs would be to maintain a new benefit structure.



## Pension Fund Directors

The executive directors of PERA and MSRS provided position statements that are included in the Section D of the Appendix. They did not take a position on whether 911 telecommunicators' pension benefits should change but did express concerns that any changes to pension benefits should be fully funded and that a full scope actuarial study be performed to accurately estimate the costs. Since such a study would be costly, the directors stated that the cost should not be borne by the pension funds but should be funded from an appropriation or another source.

## Participants in Correctional Plans

Members of the Working Group who are participants in the MSRS or PERA Correctional Plans were neutral on whether 911 telecommunicator benefits should change. However, they were opposed to 911 telecommunicators becoming covered by a correctional plan. The Minnesota Department of Corrections and Minnesota Department of Human Services also provided position statements (included in the appendix) objecting to 911 telecommunicators being included in the MSRS Correctional Plan.<sup>8</sup>

## B. The Cost of Changing 911 Telecommunicator Pension Benefits

The Working Group sought estimates from MSRS and PERA of the costs incurred under two scenarios. The first scenario was the transfer of 911 telecommunicators to the MSRS and PERA Correctional Plans, along with their past service. The second scenario was the establishment of a new plan for 911 telecommunicators with benefit provisions similar to those provided under the PERA Correctional Plan. The Working Group discussed four categories of costs that should be considered under either scenario: (1) the cost of transferring past service; (2) ongoing contributions; (3) administrative expenses; and (4) actuarial fees.

The Working Group struggled with two issues in obtaining estimates for these scenarios. The first issue is that PERA lacks the ability to accurately identify all the 911 telecommunicators currently covered by the PERA General Plan. The second issue is that obtaining an accurate cost estimate requires the services of an actuarial firm, but there was no money appropriated to the Working Group for the payment of actuarial services.

Despite these issues, Doug Anderson, the executive director of PERA, provided a rough estimate of the cost of transferring past service from the PERA General Plan to the PERA Correctional Plan for 911 telecommunicators. He estimated that such a transfer would cost about \$79 million, which is the amount that the PERA Correctional Plan would have to receive

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<sup>8</sup> Position or Policy Statement from the Minnesota Department of Corrections, [Appendix](#) p. D-2; Position or Policy Statement from the Minnesota Department of Human Services, [Appendix](#) p. D-4.

in addition to an amount equal to the present value of the benefit earned by each 911 telecommunicator under the PERA General Plan.<sup>9</sup>

The major driver of the cost is the difference in the normal retirement age between the two plans. The PERA Correctional Plan has a normal retirement age of 55 while the PERA General Plan has a normal retirement age of 66. This would mean that 911 telecommunicators who transferred from the PERA General Plan to the PERA Correctional Plan would be expected to receive their pension while not making contributions to the plan for 11 additional years.

The ongoing contributions for the PERA General Plan and PERA Correctional Plan are set in statute. Under the PERA Correctional Plan, employees currently contribute at a rate of 5.83% of covered salary and employers at a rate of 8.75% of covered salary. Under the PERA General Plan, employees contribute at a rate of 6.5% of covered salary and employers at a rate of 7.5% of covered salary. It is possible that the addition of 911 telecommunicators to the PERA Correctional Plan would necessitate a change in the contribution rate for the PERA Correctional Plan but determining whether a change would be necessary requires a thorough actuarial study. Similarly, a thorough actuarial study is required to determine the ongoing contribution requirements for any new plan that the Legislature might choose to create for 911 telecommunicators.

The pension fund directors noted that administrative expenses are a consideration for the structure of any change going forward. They noted that setting up and administering a new plan would come with more administrative expense than would transferring 911 telecommunicators to an existing plan.

Finally, the Working Group noted that any changes in pension coverage would require extensive actuarial work to ensure that the plans remain properly funded. The fees for the actuarial work could range from tens of thousands to hundreds of thousands of dollars depending on the changes being made. The pension fund directors noted these actuarial costs should be provided for in any legislation making a change to pension coverage for 911 telecommunicators.

## C. Survey Results

The Working Group commissioned several surveys to obtain information about 911 telecommunicators and their employers. The Working Group also asked the National Association of State Retirement Administrators (NASRA) to survey its members about national trends for providing pension benefits to emergency dispatchers. The full results of the surveys are available in Section B of the Appendix. Some notable results are summarized below.

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<sup>9</sup> “Public Employees Retirement Association on Transferring 911 Telecommunicators from the PERA General Plan to the PERA Correctional Plan,” [Appendix](#) p. C-2.

## 911 Telecommunicator Surveys

A statewide survey of 911 telecommunicators received responses from 921 respondents, which represents over half of all the 911 telecommunicators in the state.<sup>10</sup> When asked whether they would prefer coverage by the PERA General Plan or the PERA Correctional Plan, 94% of respondents indicated a preference for the PERA Correctional Plan. Additionally, 65% of respondents indicated that the most important benefit feature was the option to retire with a full pension (no early retirement reduction) at age 55. Respondents were also asked, “Do you feel that your ability to perform your job effectively and efficiently has declined as you age?” 49% of respondents answered “yes,” while 51% of respondents answered “no;” of respondents age 60 or older, 57% answered “yes” and 39% answered “no.”

## Employer Surveys

A survey of counties found that separation rates for 911 telecommunicators are higher than for all county employees.<sup>11</sup> The reasons given for the higher separation rates for 911 telecommunicators included high turnover rates during the probation or training phases and in the early years of employment due to night and weekend hours or because the employees left to pursue promotions or higher pay in other positions. Mental or emotional stress and the difficulties of the job were also noted as factors. The survey also indicated that 911 telecommunicators are far less likely than correctional employees to file for and receive workers compensation, a conclusion that was supported by information provided by the Minnesota Department of Labor and Industry.<sup>12</sup> The survey also indicated that counties were split on whether hiring 911 telecommunicators is more challenging relative to hiring other classes of employees.

## Survey of other States’ Pension Systems (NASRA)

NASRA conducted a survey of its member public pension systems on behalf of the Working Group and received responses from 18 pension systems that administer pension benefits for emergency dispatchers.<sup>13</sup> Of those 18 systems, one pension system responded that emergency dispatchers are covered by a public safety plan and 17 responded that they are covered by a general employees plan. Three systems also indicated that they had a process through which a particular local government could provide coverage for 911 telecommunicators by a public safety plan instead of by a general employees plan.

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<sup>10</sup> “Survey of 911 Telecommunicators Employed by the State and Local Governments - Survey Results,” [Appendix](#) p. B-16.

<sup>11</sup> “Survey of county employers on 911 telecommunicator recruitment, retention, other, by Association of Minnesota Counties (AMC) and Minnesota Inter-County Association (MICA),” [Appendix](#) p. B-29.

<sup>12</sup> “Workers Compensation Data,” [Appendix](#) p. A-20; “Emergency dispatcher workers’ compensation claims,” [Appendix](#) p. A-28.

<sup>13</sup> The term “emergency dispatcher” is used here instead of “911 telecommunicator” because that is the term used in the NASRA survey and because the survey described personnel not located within the state of Minnesota.

## **D. Whether 911 Telecommunicators Should Be Covered by a Correctional Plan**

The Working Group discussed whether 911 telecommunicators should be covered by the PERA Correctional Plan, or in the case of state employees, by the MSRS Correctional Plan. The Working Group decided not to recommend that 911 telecommunicators be placed in the correctional plans. This decision was in response to position statements submitted by groups urging that 911 telecommunicators not be placed in a correctional plan, including from the Minnesota Department of Corrections, the Minnesota Department of Human Services, and the Minnesota Correctional Officer Retirement Association (MNCORA). These position statements are included in the Section D of the Appendix.

## V. Recommendations of the Working Group

The legislation directing the formation of the Working Group directed the group to report to the LCPR whether changes to the pension plan coverage for 911 telecommunicators are appropriate and, if so, to recommend changes. The Working Group was unable to come to an agreement on whether changes to pension plan coverage for 911 telecommunicators are appropriate. However, the Working Group agreed to make the following recommendations to the LCPR:

1. The Working Group recommends that public employers of 911 telecommunicators evaluate the wages, compensation schedules, other employee benefits, work scheduling, and work environment of 911 telecommunicators for adequacy and parity.
2. The Working Group recognizes that the nature of 911 telecommunicators' work is stressful and regularly exposes 911 telecommunicators to traumatic situations. The Working Group recommends that the Legislature provide for improved availability of mental health care for 911 telecommunicators.
3. The Working Group did not agree on whether pension benefits for 911 telecommunicators should be changed. However, if the Legislature were to establish a plan providing for enhanced pension benefits for 911 telecommunicators, the Working Group recommends the following:
  - a. The eligibility criteria for the plan should clearly define the employees who are eligible and those who are not by providing a clear definition of "911 telecommunicators". Participation in the plan by eligible employees should be mandatory.
  - b. Third-party certification or licensure as a 911 telecommunicator should not be the sole criteria for determining eligibility to receive enhanced pension benefits.
  - c. The state should provide sufficient funds to ensure that the funding ratio and projected funded status of any existing plan is not negatively impacted by any change in pension benefits for 911 telecommunicators. The state should also provide funds to cover the expenses related to establishing a new plan or tier of benefits, including actuarial fees for evaluating benefit proposals.
  - d. 911 telecommunicators who are state employees should be covered by the same plan as 911 telecommunicators who are local government employees. The plan should be administered by PERA.