

March 27, 1990
Room 112 Capitol

17th Meeting



LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Senator Donald M. Moe, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:20 A.M.

Commission members present:

Senators Donald Moe, Steven Morse, Lawrence Pogemiller, Earl Renneke and Gene Waldorf
Representatives Robert A. Johnson, Gerald Knickerbocker, Rich O'Connor, Leo Reding and Wayne Simoneau

Senator Moe introduced the eighth item on the agenda, State Patrol Retirement Plan membership continuation by two former Bureau of Criminal Apprehension employees. Lawrence A. Martin, Executive Director of the Commission, reviewed his memo of March 21, 1990, plus the amendment numbered LCPR122 which clarifies the retirement coverage of two former Bureau of Criminal Apprehension employees who were promoted within the Department of Public Safety to data processing management positions in 1987 and 1988 by allowing the two individuals to remain in the State Patrol Retirement Plan.

Representative Simoneau moved approval of LCPR122. **MOTION PREVAILED.**

Senator Moe introduced the first item on the agenda, S.F. 1899 (Piepho); H.F. 2121 (Frederick): Legislators Retirement Plan; service credit for special election legislators. Edward Burek, Deputy Executive Director, reviewed his memo of March 26, 1990, and the bill on this item. Mr. Burek noted that this bill would change current law by removing the provision that permits retroactive pension coverage for a legislator elected in a special election to serve the remainder of an unexpired term and by replacing it with a provision giving retirement credit to a legislator from the first day of the month in which the oath of office is taken.

Senator Mark Piepho spoke on behalf of this bill noting that it became a campaign issue in his bid for election for the seat of Senator Glen Taylor.

Senator Renneke questioned the effective date for this bill.

Senator Moe stated that the effective date should be set to pertain to future legislators not current legislators and therefore, the second sentence on page three section four should be eliminated.

Representative Simoneau stated that the bill should remain as originally written.

Senator Waldorf agreed that the bill should pass as originally written.

Representative O'Connor also supported the bill as originally written.

Senator Morse questioned the distinction between Senator Piepho and Senator Renneke as far as retroactivity.

Representative Johnson moved approval of S.F. 1899; H.F. 2121 as originally proposed without amendment. **MOTION FAILED**

Senator Moe introduced the second item on the agenda, S.F. 1796 (Cohen); H.F. 1874 (Orenstein): PERA; service credit for former St. Paul Bureau of Health employee. Edward Burek reviewed his memo of March 23, 1990, and the bill on this issue.

Representative Simoneau objected to this bill because it did not require payment of full actuarial value.

Representative Johnson questioned whether this person received a refund.

Representative Reding questioned why this person had not applied for service credit sooner.

Senator Cohen spoke on behalf of this bill. Discussion followed.

The bill was laid over to permit further review by Senator Moe and Representative Reding on behalf of the Commission.

Senator Moe introduced the third item on the agenda, S.F. 2238 (Chmielewski); H.F. 2439 (Carlson, D.) Moose Lake Volunteer Fire; status of relief association upon reformulation of fire department. Lawrence A. Martin reviewed his memo of March 22, 1990, on this item and noted that the current law approach seems less appropriate in this instance when the fire department and relief association are directly connected with the creation of a new fire district.

Representative Reding moved approval of S.F. 2238; H.F. 2439. **MOTION PREVAILED.**

Senator Moe introduced the fourth item on the agenda, S.F. 2573 (Piepho); H.F. 2505 (Dorn): TRA College Supplemental Retirement Plan designation of non-spouse beneficiaries. Edward Burek reviewed his memo dated March 26, 1990, and an amendment numbered LCPR132.

Elton Erdahl, Executive Director of TRA and administrator of the Supplemental Retirement Plan (SRP) spoke in opposition to the amendment, LCPR132. Discussion followed.

Senator Moe moved approval of S.F. 2573; H.F. 2505 without the amendment. **MOTION PREVAILED.**

Senator Moe introduced the fifth item on the agenda, S.F. 2515 (Morse); H.F. ____ (): PERA-P&F Consolidation; Modification of Consolidation Procedures by Municipal and Relief Association Agreement. Lawrence A. Martin reviewed his memo dated March 22, 1990, and an amendment numbered LCPR123. Mr. Martin noted the two principal pension policy issues connected with this bill are the appropriateness of modifying the consolidation procedure, and the loss of election opportunity as opposed to the gain of municipal cost certainty.

Representative Simoneau moved to lay this item over due to the lack of a House author.

Senator Morse spoke in support of this bill and noted that Representative Dorn was going to introduce this bill in the House. Discussion followed. The bill was laid over.

Senator Moe introduced the sixth item on the agenda, S.F. 2003 (Moe, D.M.); H.F. 2450 (Osthoff): PERA-P&F Consolidation Accounts; Maximum Municipal Contribution for Consolidating Relief Associations.

Joe O'Neill, Attorney for the St. Paul Fire Relief Association, spoke in support of this bill and provided Commission members with a copy of a resolution from the city of St. Paul that will be voted on soon. Discussion followed.

Senator Moe moved approval of this bill as amended. **MOTION FAILED.**

Senator Moe introduced the seventh item on the agenda, Teacher Retirement Plans; Medical Leave Service Credit. Lawrence A. Martin reviewed his memo dated March 23, 1990, and two amendments, LCPR116 and LCPR125.

Mr. Elton Erdahl noted that he is not opposed to medical leave service credit but he is concerned about retroactivity.

Ms. Donna Nickerson, a Forest Lake School District teacher who raised this issue, spoke in support of this item and retroactivity.

Senator Waldorf noted that a medical leave is less voluntary than a Sabbatical and spoke in support of providing medical leave service credit. Discussion followed.

This item was laid over till 8:00 A.M. March 28, 1990, due to time constraints for the hearing room.

The meeting adjourned at 10:00 A.M.