

LEGISLATIVE RETIREMENT STUDY COMMISSION

330 State Capitol

The regular meeting of the Legislative Retirement Study Commission was called to order by the chairman, Rep. Calvin Larson, on Friday, February 20, 1970, at 9:30 A.M., Room 15, State Capitol.

PRESENT:	<u>Senators</u>	<u>Representatives</u>
	Baldy Hansen	Don Forseth
	Mel Hansen	Calvin Larson
	J. A. Josefson	Helen McMillan
	Harmon Ogdahl	Jos. T. O'Neill
	C. C. Sommer	D. H. Sillers

ALSO PRESENT: Frank Moulton, Exec. Sec.; Blair Testin, Assistant; Dr. Franklin Smith, Stennes & Associates; Mike Ousdigian, PERA; Inga Cragg, Retired Teachers Association of Minnesota; N. Gaasedelen, Mpls. Teachers; C. Meehan, PERA; Paul Groschen, MSRS; Arne Ulvi MSRS; Bert W. Johnson, Minnesota Highway Patrol; Luther Sletten, District Judges; Richard M. Nelson, Minn. Police Pension Council and Mpls. Police Relief Association; Robert Wetherille, Mpls. Fire; Robert S. Reed, MEA; Elton Erdahl, TRA, Robert Fahnhorst, TRA; James L. Jacobs, MSBA; Gordon Williams; PERA; Jack Jenkins, MREA; Harvey W. Schmidt, TRA; Edward H. Bolstad, MP & POA; Albert E. Schulstad, MERB; Louis Claeson, League of Minnesota Municipalities; Geo. A. Larson, SERAssociation; Ralph R. Reeder, Cap. Div. Retired Teachers; Leo A. Bernat, MFT; St. Clair Beeman, Comm. 13.

MINUTES of the January 16 meeting were approved.

JUDGES

Judge Sletten presented background and problems facing judges' widows' benefit plan. ~~Figures pertinent to the present and future financial condition of the fund~~ were furnished and various proposals for improvement of the fund were suggested.

STAFF MEMO: "Actuarial Survey of District Judges Widows' Benefit Plan" (B.T.) Memo was read and discussed. (Copies in memo files)

PERA SUBCOMMITTEE REPORT - February 19 meeting.

The chairman of the subcommittee, Rep. Sillers, made the following report:

"There are at present, seven public hospitals which have not held referenda allowing their employees to choose between the basic and coordinated plans of PERA. The employees of these hospitals, because they must be under the basic plan, constitute the only source of new members to the basic plan of PERA. The Legislature adopted the policy in past sessions of phasing out the PERA basic plan.

"The Commission on January 16 directed the staff to write these hospitals indicating formally the request of the Commission that these hospitals hold referenda at their earliest convenience. Only one hospital has directly answered to date, and that answer was a refusal.

The PERA subcommittee passed motions at the February 19 meeting:

MOTION: 1) Letter be written to the hospitals that legislation is being drawn requiring a referenda and again urging voluntary compliance prior to the 1971 Session.

MOTION 2) Legislation be drawn requiring referenda for existing uncoordinated hospitals and also any newly formed hospitals."

Rep. Sillers moved that permission be granted to draw up proposed legislation re the seven public hospitals. MOTION CARRIED.

TRA

Progress Report re TRA Teachers Paid by Federal Aid:

Mr. Moulton reported that there are 1840 teachers paid with federal aid project funds, total salary of \$6,664,000, TRA regular contributions of \$233,000. Almost all of these teachers are coordinated with Social Security. There is a 4.8% Social Security cost that also should come out of these funds--about one-half million dollars per year. They will try to get this out administratively.

STAFF MEMO: "Cost of Living Increases in Pension Plans" (FVM) (Copies in memo files)

STAFF MEMO: "Deferred Annuities" (FVM) (Copies in memo files)

Dr. Bernat, representing the Minnesota Federation of Teachers, stated that they support the present practice that is in effect now.

Mr. Robert Blixt, Exec. Sec. of the State Board of Investment, relative to the subject of deferred annuities, stated that there should be a distinction between classified and unclassified service; that there is an inequity.

COMMISSION DIRECTION: Mr. Moulton was directed to research this subject, find out the number of unclassified employees.

Mr. Blixt and Mr. Bernat were requested to hand in their thoughts on this subject.

TRA

TRA's brochure re Variable Annuity Program was distributed to the members of the Commission.