

Legislative Retirement Study Commission
March 11, 1975 Meeting
Room 118, 4:00 P.M., State Capitol

MINUTES

Sen. Chenoweth opened the meeting.

PRESENT:	<u>Senators</u>	<u>Representatives</u>
	Chenoweth	Parish
	McCutcheon	Beauchamp
	Mel Hansen	Patton
	Harmon Ogdahl	St. Onge
	Stokowski	Excused - Rep. Biersdorf
	Gearty	

The minutes of the February 25 meeting were approved.

Actuarial Valuations - Dr. Franklin Smith, Actuary
Dr. Smith went over the actuarial Valuations of TRA, PERA and PERA Police & Fire.
Discussion followed.

1975 Legislative Proposals

MSRS - Mr. Groschen presented the proposals: (Summarized as follows)

1. Post-retirement adjustment for those retired prior to the 1973 High-5 plan, including adjustment for those on a deferred status.

Modification of the present provisions for post retirement increases.
2. MSRS Board of Directors support a supplemental health insurance program for retired state employees.
3. Supports the Combined Service Annuity Proposal
4. Supports either proportional vesting for all mandatory retirees regardless of length of service or five year vesting.
5. "MSRS would like the commission to formulate a policy on the subject specifying the service which is purchasable and the amount to be charged to obtain credit." -- on the subject of buy-backs.
6. Requests the early passage of H.F. 593 (S.F. 349)-Housekeeping bill
7. "MSRS requests that consideration be given to consolidation of all funds and accounts of the Judges Retirement Plan and that consideration also be given to financing the fund in accordance with the entry age normal method of funding."
8. Constitutional Officers Plan:
 - a) Change to a high-5 plan
 - b) "Allow actuarially adjusted retirement prior to age 65"
 - c) "Provide earlier vesting for survivor's benefit (now requires 8 years)"
9. Highway Patrol is requesting a few plan amendments in addition to the amendments contained in the MSRS administrative bill.

PERA - Mr. Ousdigian went over the proposals: (Summarized as follows)

1. S.F. 365 (H.F. 583) - Restoration of survivor benefits in certain cases.
"To reinstate, as of July 1, 1975, monthly survivor benefits of two spouses who remarried and subsequently had such marriages annulled."

2. S.F. 471 (H.F. 581) - Portability of service credits in various funds - Combined service annuity for those who have allowable service credit in more than one covered fund.
3. S.F. 470 (H.F. 592) - PERA Building
Bill proposes to allow PERA "to purchase land and build a building and parking facilities" ... "to house PERA, TRA, MSRS".
3. S.F. 468 (H.F. 584) - Housekeeping Bill
Deals with clarification of language, correction of statutory references-- strictly housekeeping. (Sections 1 thru 4, 6, 8, 9 and 11 thru 13)

Sections 5 and 7 - "It is proposed that when retirees die leaving spouses eligible for survivor benefits, annuity be paid through date of death and survivor benefits commence as of the day following death".

Sections 10 and 14 - "Currently, the General and Police and Fire Fund laws provide that PERA disability benefits are reduced by amounts received or receivable under Workmen's Compensation laws. In many instances the disabilitant receives a net award after payment of attorney fees. It is proposed that the benefits be reduced by amounts actually received after deduction of attorney fees."

Section 15 - Proposes to add corresponding language to the Police and Fire Fund providing for optional annuity payable to a surviving spouse if a member dies after attainment of age 58 with 20 years of allowable service credit, except that in the case of the police and fire, the age proposed will be 55.

Increases for those who retired prior to July 1, 1973.

TRA - Mr. Harvey Schmidt presented the proposals: (Summarized as follows)

1. Financing of TRA should be reviewed.
2. Increases to retired teachers.
3. 5-year vesting be allowed in the TRA laws.
4. Normal retirement provisions at an earlier age.
5. Variable Annuity participants be given the opportunity to elect the full formula program.
6. Provide an opportunity to pay arrears for teachers who made an agreement with the state to make such payments.
7. Consideration of a high-3 year salary average in calculating benefits, excluding final year.
8. Permit better reciprocity between retirement systems in Minnesota.
9. Adoption of the necessary administrative changes in the TRA law.

MMER - Mr. Richard Johansen presented the proposals

1. Endorse the combined service credit annuity proposal.
2. Post retirement increases.
3. Propose changes in the MAFB Fund.
4. Change present funding from 1997 to a rolling amortization date.