

Legislative Commission on Pensions and Retirement
August 25 and 26, 1975 Meetings
Room 112, State Capitol

Minutes

The chairman, Sen. Chenoweth, opened the meeting.

PRESENT: Senators Chenoweth, Stokowski, Mel Hansen, Ogdahl, Gearty
Representatives Parish, Moe, Patton

The minutes of the July 25, 26, 27, 1975 meetings were approved.

Mr. Henry Winkels, Minnesota Federation of Teachers, introduced Mr. John Belk, former member of the TRA Board of Trustees and Edina teacher, who presented a paper relative to teachers retirement funds funding problems. A change in the amortization date was recommended.

Mr. Harvey Schmidt, Exec. Sec. of TRA, reported \$89.6 million in income received, \$18 million payments out, and \$2 or \$3 million in refunds.

Comparison of the Retirement Plans of the First Class Teachers.
Mr. Mandeville went over the comparisons and discussion followed.

The funds' administrators were requested to have their proposals for 1976 ready for the commission. The proposals may be presented in narrative form and the actuarial cost figures are to accompany the proposals.

August 26, 1975 Meeting

PRESENT: Senators Chenoweth, McCutcheon, Mel Hansen, Ogdahl, Stokowski, Gearty
Representatives Moe, Patton

Mr. Wetherille, Mpls. Fire Department, reported on what is happening in Washington relative to the Public Service Employees Retirement Income Security Act of 1975. It is the same bill as the one put in for private pensions. Hearings are scheduled to start September 16, 1975. Mr. Wetherille urged the commission to be aware of what is happening re this public pension bill.

Funding of Actuarial Deficits in the Statewide Funds - Dr. Franklin Smith memo.
Dr. Smith went over the memo - Memo 75-4

Discussion followed re the present value of benefits earned to date; what are the legal liabilities to date, based on the laws now in effect.

Rep. Patton moved that the funds' actuaries provide additional information, giving the present value of benefits earned to date as of 6/30/75, based on the laws presently in effect. Motion carried.

Dr. Smith was directed to write up the format for the additional information to be presented in the funds' actuaries' actuarial reports.

The commission policy of equal sharing of the financing of benefit improvements between employer and employee was discussed.

Sen. Ogdahl moved that the commission staff be directed to draft some language using the 30 year amortization approach on all deficits. Motion carried.

Sen. Ogdahl moved that any future increases in deficits caused by increases in benefits be born equally by employer and employee. Motion carried.

Twin City Lines Valuation as of January 1, 1975.
Dr. Smith went over the valuation. The valuation showed that the Twin City Lines are adequately funded.

The next meeting agenda will include all bills which were introduced relating to limitations on pension benefits. The authors of the bills which were presented during the 1975 Session will be notified and invited to present their bills.

Next meeting of the commission to be scheduled in 3 or 4 weeks.

Eugene Stokowski, Sec.

E. Diebel, Steno