LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT
February 17, 1976 Meeting
Room 112 - 5:00 P.M.

MINUTES

Rep. Don Moe, chairman, opened the meeting.

PRESENT: Representatives Moe, Patton, Parish, Beauchamp, Biersdorf
           Senators Ogdahl, Stokowski, Mel Hansen, McCutcheon

Also Present: Dr. Franklin Smith, actuary

The minutes of the February 10, 1976 meeting were approved.

A draft of a letter to Congress opposing the changes in the present practice
of reporting and making remittances to the Social Security Administration was
approved for mailing.

Re: Volunteer Ambulance Drivers - (Mike Menning bill)
It was the vote of the commission to hold this subject over for study during
the interim. The commission will request copies of the information that
Rep. Menning has put together on the subject.

S.F. 2014 (Chenoweth); H.F. 2112 (Moe) Pre-1973 Post Retirement Increases
L. Martin went over the memo and the amendments.

Sen. Stokowski moved to amend S.F. 2014; H.F. 2112 as follows:

        Page 1, line 15, after "retired members" and before the semi colon

insert "of a covered fund"

        Page 1, line 18, after "surviving beneficiaries" and before the period

insert "of a covered fund"

        Page 2, line 20, strike "payment" and insert "accruing"

        Page 3, line 25, strike "payment" and insert "accruing"

        Page 4, line 18, strike "$17,067,923" and insert "$17,066,223"

        Page 4, line 23, strike "$361,079" and insert "$359,302"

        Page 4, line 24, strike "$8,668,120" and insert "$8,668,197"

                                                          Motion carried

Sen. McCutcheon moved to amend S.F. 2014; H.F. 2112 as follows:

Page 5, after line 16, insert a new section to read:

"Sec. 9. Each retirement fund providing benefits or annuities to which the increases in this act apply shall calculate the amount of the increase in its accrued liability attributable to the implementation of this act based on census data as of June 30, 1976. The results of this calculation shall be transmitted and supporting data made available to the legislative commission on pensions and retirement, the chairman of the committee on appropriations of the house of representatives, the chairman of the committee on finance of the senate, the commissioner of finance, and the legislative advisory committee no later than November 1, 1976. Any amount appropriated by this act in excess of the amounts required as determined by the calculation made pursuant to this section may be transferred to a covered fund reporting a deficiency or returned to the general fund by the commissioner of finance with the approval of the governor upon consultation with the legislative advisory committee as provided in Minnesota Statutes, Section 3.30, Subdivision 1. In no event shall the total appropriation made pursuant to section 5 be increased."

Renumber the subsequent section accordingly.   Motion Carried

Discussion followed relative to the amendment to include the Minneapolis Municipal Employees Retirement Fund in the post retirement increase.

Mr. Johansen, Exec. Sec. of MMER, advised the commission that the MMER feel that they belong in this bill; that they are comparable to PERA.

Sen. McCutcheon moved to lay the matter over until the next meeting of the commission.   Motion carried.

Rep. Patton moved that H.F. 2112; S.F. 2014 be recommended to pass as amended.
                                      Motion carried.

Mr. Robert Blixt, Exec. Sec. of the State Board of Investment, advised that most of the money turned over to the MAFB Fund will have to be put into short term and high grade bonds because most of the money will go out within ten or twelve years.

First Class City Teacher Retirement Funds
John Mandeville went over the staff memo and proposed plan re first class city teacher funds.

Rep. Moe explained that the proposal would increase benefits for almost every teacher in the three first class cities.

The following individuals appeared in opposition to the First Class TRA proposal:

1. Dudley Parsons, Minneapolis Teachers Retirement Fund Assn.;
2. Lyle Farmer, St. Paul Teachers Retirement Fund Assn.;
3. John Grossman, St. Paul Retirement Legislative Committee;
4. Genevieve Johnston Cory, Minneapolis Retired Teachers;
5. Ed. Blanc, Jr., Duluth Teachers Retirement Fund Assn.

No decisions were made on the proposal for the cities of the first class teacher funds. The matter was laid over.

Next commission meeting - Thursday, 7:00 P.M.

                                        William McCutcheon, Sec.

E. Diebel, Steno

The following appeared ~~and presented their views~~ of the proposal:

Dudley Parsons, Minneapolis Teachers Fund Association:
1. Mpls. does not like to have teachers coersed into any plan;
2. Social Security is not a good program for teachers, particularly single women;
3. Only the TRA benefit program has been indicated--there are some restrictions which they would have to take;
4. Objects to the MAFB -- objects to transferring the assets of active teachers to support the annuities of the retired teachers.

Lyle Farmer, St. Paul Teachers Retirement Fund:
1. They are reluctant to make any change when they are comfortable with what they have --have a system working for 66 years
2. Thinks the MAFB needs some review
3. Would have to provide an opportunity for every teacher to make a choice-- very difficult to make a choice - teachers do not always make correct choice.

John Grossman, St. Paul Retirement Legislative Committee
1. Are satisfied with the situation they have at the present time;
2. Believes that 1.8% is low but it is something they can live with;
3. Outstate people would like to have disability in their plan--they like the survivor benefits and disability benefits they have.

Genevieve Johnston Cory, Minneapolis Teachers:
1. The Committee of 13 is behind them - they like their plan without social security;
2. Do not want anything done to spoil what they have,

Ed Blanc, Duluth Teachers:
1. Represents the thinking of the Duluth teachers
2. Believes in diversity, not uniformity

No decisions were made on the proposal for the cities of the first class teacher funds. Matter was laid over.

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