

Legislative Commission on Pensions and Retirement
September 16 and 17 Meetings -1976
Room 112, State Capitol

MINUTES

The chairman, Rep. Donald M. Moe, opened the meeting.

PRESENT: Senators Mel Hansen, McCutcheon
Representatives Don Moe, Biersdorf, Beauchamp.

1. Valuation Memos: - Dr. Franklin Smith

St. Paul Teachers Retirement Fund Association Valuation as of 12/31/75

Dr. Smith went over the valuation and discussion followed.

Mr. Lyle Farmer, Sec/Treas of StPTRFA, advised that substitutes are dues paying members of the fund and were included in the membership last year. 180 teaching days is a minimum school year. There is need to review the financing of this fund.

Twin City Lines Valuation as of 1/1/76

Dr. Smith went over the valuation and discussion followed.

Staff was requested to research the background of this fund--acquisition by the state; compare the provisions of this plan with the provisions of PERA. Staff will prepare necessary information for the next meeting of the commission.

Minneapolis Teachers Retirement Fund Supplemental Experience Study - Memo

The memo was gone over by Dr. Smith and discussion followed.

The average age at retirement dropped to 63 in 1975. The valuations have been based on an assumed average age of retirement of 64. There is need to consider a change in the retirement age assumption.

Sen. McCutcheon moved that a letter be sent to the Minneapolis Teachers Retirement Fund Association requesting that it consider making an adjustment in the retirement age assumption. Motion carried.

The bills from Stennes and Associates for the months 5/1/76 to 7/1/76 were approved for payment.

September 17, 1976 Meeting

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

Dr. Smith Memo - Two Related Problems Concerning the Minnesota Adjustable Fixed Benefit Fund - Part 2

DR. Smith went over the memo and discussion followed.

The memo discussed two problems concerning the Adjustable Fixed. The methods of determining the rate of return during the year and of determining the admitted value of the fund as of the June 30 valuation date were ^{also} discussed. There is need to know the rate of return on investments. Mr. Blixt will work with Dr. Smith and the heads of the funds on this problem. The subject will be put on the agenda again next month.

Staff Memo - Social Security Taxes on Sick Leave Payments

John Mandeville went over the memo. The memo explored "the feasibility and possible ramifications of modifying the state's sick leave program to exclude "sick pay" from social security taxes." Discussion followed.

Mr. Groschel, Director of the Social Security Retirement Division, advised the commission he will be receiving the results of the studies made by the state of Kansas on this subject.

The chairman requested that the matter be taken up again with more detailed figures; also the representatives of the state employees will be asked to make a statement on this subject.

A detailed outline of the contents of the 1977 report to the Legislature was put before the commission for comments and suggestions.

The next commission meetings: October 14 at 7:00 P.M.
October 15 at 9:00 A.M.

Wm. McCutcheon, Secretary

E. Diebel
Steno