

Legislative Commission on Pensions and Retirement  
November 18 and 19, 1976 Meetings  
Room 112, State Capitol

MINUTES

November 18, 1976 Meeting - 7:00 P.M.

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

PRESENT: Representatives Donald M. Moe, David Beauchamp, John Biersdorf,  
Senators Mel Hansen, Wm. McCutcheon, John Chenoweth

Also Present: Dr. Franklin Smith, actuary

The minutes of the October 13 and 14 meetings were approved.

The bill from Stennes and Associates for actuarial services for the months of September and October were approved for payment.

University of Minnesota Faculty Retirement Plan

Mr. Walter H. Bruning, Vice President for Administrative Operations, U of M appeared before the commission. Mr. Bruning explained the retirement plan for the U of M faculty members--he described the retirement plan improvements that the Board of Regents have approved--that the faculty members who retired prior to 1963 (approx. 185) would receive a 50% minimum guarantee benefit coordinated with social security--if they did not receive at least 50% in this manner the balance would be make up from the supplemental fund.

Mr. Bruning also discussed the early retirement program which began in 1972--they developed an early retirement package that would pay at age 62 and before age 65 in effect what the faculty member would expect to receive at age 65. He stated that this was not a right to retire early but the possibility to retire early with the approval of the Board of Regents. Mr. Bruning stated that he did not anticipate that the University will request any dollars to fund this program.

Minnesota Adjustable Fixed Benefit Fund - Staff Memo

Mr. Mandeville went over the staff memo and discussion followed.

A tentative draft of corrective language to correct the mortality adjustment problem was submitted to the commission. This correction was prepared by Dr. Smith.

It was concluded that the commission staff should continue to pursue corrective measures for the MAFB. The chairman requested that the fund managers give their comments on the corrective language to the commission; also that the funds' actuaries be requested to submit their comments. This proposed correction would put all retired employees in the same class and all would receive the same percentage.

Highway Patrolmen's Retirement Plan

Dr. Smith went over the Valuation as of 6/30/76. Discussion followed.

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November 19, 1976 Meeting

Present: Representatives Donald Moe, John Biersdorf, David Beauchamp  
Senators John Chenoweth, Mel Hansen, Wm. McCutcheon, Stokowski, Gearty

W. B. Schroeder, Exec. Sec. of the Minnesota Sheriffs' Assn., told the commission that "there is a double standard in the distribution formula of state aid money contained in the law." Mr. Schroeder stated he would like to give the public employees police and fire fund the same consideration as given to the local police and fire funds.

Lee Stokes, Exec. Dir. of the Minnesota Police and Peace Officers Assn., advised that they voted to accept the Pension Committee's report to take a look at this for a year and then see what the results are.

Mike Scully, Minnesota Police Pension Council, asked that the present law be given a chance for a year to see what the amount would be.

Lamonte Dehn, Hennepin County Sheriff's Office, advised that this 20% did not include all people and municipalities that were under PERA, and feels this should be looked at at this time.

Multiple Pension Coverage for Metro Waste Control Commission

L. Martin went over the staff memo relating to this problem. The pension coverage problem covers about 35 tradesmen who work for the Metro Waste Control and who are covered under the MSRS and also have union pension coverage which they are making contributions to.

The following appeared before the commission relative to the MWCC problem:

Eugene Connelly, Pipefitters Union  
Kenneth Robbins, Director of the Pension Problems for the Waste Control  
Ray McMann, Asst. Business Mgr. of the Electrical Contractors 110  
Archie Pavlak

It was suggested that the MWCC be requested to respond to the commission staff memo.

Timing of Benefit Payments

Staff was directed to draw up language to change the law for all the major funds so that each and every survivor or annuitant will receive benefit check on the 1st day of the month rather than the last day.

Wm. McCutcheon, Sec.

E. Diebel  
Steno.