

Legislative Commission on Pensions and Retirement
December 9 and 10, 1976 Meetings
Room 112, State Capitol

MINUTES

The regular meeting of the LCP&R was called to order by the chairman, Representative Donald M. Moe.

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

PERA Valuation as of June 30, 1976 (Police and Fire Fund) - No. 76-10
Dr. Smith went over the actuarial valuation and discussion followed. No additional employer contribution for this plan.

Minnesota State Judges' Retirement Fund Actuarial Valuation as of June 30, 1976 - 76-11
Dr. Smith went over the valuation and discussion followed. Mandatory retirement age is 70.

Paul Groschen, Exec. Dir. of MSRS, explained and reviewed the judges' plan. Mr. Groschen also explained the financing of the judges' plan--the employer contribution is not the same as for the other retirement plans. Mr. Groschen advised that the actuary disagrees with Mr. Groschen's interpretation of the law--he is seeking an attorney general's opinion. Does the state have to contribute the amount the actuary says is needed? Would it be more appropriate to put the employer contributions on a regular contribution? Should there be some sort of percent of payroll? Mr. Groschen will make a recommendation along those lines.

Probate County Court Survivors' Account: The state agreed to take over the assets and liability of the district court judges account. It is down to about 8 contributors and 6 beneficiaries. Survivors' account at \$354,000 on 6/30; \$33,000 assets coming in; \$15,900 expenditures. Legislation is being written to transfer account into the judges' fund.

Mr. Groschen advised that there will be no one contributing to the fund in the future--there are no new entries. Judge pays 4% into the fund. It would become a full liability of the state. Mr. Groschen will put recommendations together to present.

Not all judges are covered by social security--98 out of 208 are covered by social security. New judges are covered by social security. Judges in office on 1/1/74 had a choice.

Duluth Teachers Retirement Fund Actuarial Valuation as of June 30, 1976 - 76-12
Dr. Smith went over the valuation and discussion followed. Discussion followed relative to establishing a policy for comparing funds; also need a policy for realizing appreciation of assets.

Staff Memo: Limitation on Average Salary - Laws 1976, Chapter 329, Sec. 32.
John Mandeville went over the memo.

Paul Groschen, MSRS, discussed the results of a survey made relative to this problem; also Harvey Schmidt, TRA, discussed the problem. There was discussion as to the need to change this law or to repeal it.

December 10, meeting - Room 112

Chairman: Rep. Donald M. Moe

PRESENT: Senators Chenoweth, Ogdahl, Mel Hansen, McCutcheon, Stokowski, Gearty
Representatives Donald M. Moe, John Biersdorf

December 10, 1977 meeting continued (Minutes)

TRA Valuation as of June 30, 1976

Dr. Smith went over the actuarial valuation and discussion followed.

Re: Additional Financing for the Teachers Retirement Association

A letter to Commissioner Gerald Christenson by the chairman, Rep. Moe, re additional financing for the TRA was discussed.

MSRS Valuation as of 6/30/76

Dr. Smith went over the valuation and discussion followed.

PERA Valuation as of 6/30/76 (General Fund) No. 76-9

Dr. Smith went over the actuarial valuation and discussion followed.

Mr. Ousdigian, PERA Exec. Dir., informed the commission that some of the basic members are taking their money out of the fund. 300 basic members withdrew in the first seven months of 1976.

Re: Payroll Reporting by the Various Funds

There was discussion as to how the various funds report payrolls for purposes of actuarial valuations. MSRS reports an annualized prospective payroll; TRA reports its actual payroll not annualized. It was concluded that there is need for a more comparable payroll reporting system.

Next meeting will be scheduled for sometime in January.

Wm. McCutcheon, Secretary

E. Diebel
Steno