

April 16, 1979 Meeting
Room 125 State Capitol
7:00 P.M.

MINUTES

PRESENT: Senators Stokowski, C. Peterson, Ogdahl, Strand, Renneke
Representatives Patton, Kaley, Moe, Sarna

The chairman, Sen. Stokowski opened the meeting.

HF 1041 (Kaley); SF 1091 (Ogdahl): Post Retirement Adjustments; High-5 Salary Formula Recalculation

L. Martin went over the memo.

The bill provides for a recalculation of current annuities and benefits on the basis of the new "high-five" law; provides the five high years law for annuitants, disabilitants or survivor benefit recipients who were not granted benefits under this law.

The estimated cost to implement this bill is approximately \$48.7 million. Mr. Groschen, Exec. Dir. of MSRS, reported that only 27% of the pre-73 retirees would get an increase amounting to 20% or more; that those who would get an increase are the long service and high salaried people.

Mr. Ousdigian, Exec. Dir. of PERA, reported that there are 5,280 retirees; that those retiring from 1951 to 12/31/69 would not benefit from this bill because of the previous increases already received; that those retirees retired beyond 1969 to the present time will be benefited.

Harvey Schmidt, Exec. Dir. of TRA, explained that about 60% of those retiring in 1959 or earlier would not receive an increase from this bill.

Robert Renner, Governor's Office, stated that the Governor supports the high-5 concept and has budgeted \$11.6 million for the pre-1973 retirees, for the biennium.

No action on HF 1041, SF 1091.

SF 956 (Stokowski): Post Retirement Adjustments; \$1 per Month per Year of Service

The bill provides a flat dollar adjustment based on length of service rendered by each retiree or disabilitant. The estimated increase in the accrued liability of the five funds involved is approximately \$32 million dollars.

Sen. Collin Peterson moved that SF 956 be recommended to pass. Carried. The staff will insert the appropriate figures.

Ed. Blanck, Jr., Duluth Teachers Retirement Association, requested that the Duluth Teachers Retirement Fund be included.

SF 1199 (Strand); HF 1221 (Moe): MSRS; Administrative Bill

The bill makes modifications in the MSRS regular plan and the MSRS unclassified plan which are technical or administrative. The bill was prepared on behalf of and sponsored by the MSRS Board of Directors.

Rep. Patton moved to accept the staff amendment. Motion carried

Sen. Renneke moved to amend SF 1199, HF 1221 (see attachment) Motion carried.

Sen. Strand moved to amend SF 1199, HF 1221 (see attachment) Motion carried.

Sen. Strand moved that SF 1199, HF 1221 as amended be recommended to pass. Carried.

HF 907 (Reding); SF 959 (Stokowski): Judges Retirement; Transfer of the County and Probate Court Judges Survivors Account

Bill provides for a transfer of the county and probate court judges survivors account which has been placed on a phaseout basis since January 1, 1974, to the recently established Judges Retirement Fund. Bill will cost 4% of payroll per year.

Rep. Patton moved that the Duluth amendment be added to the bill (see attachment). Motion carried.

Stan Efron, Counsel for the District Judges, appeared for the bill.

Sen. Ogdahl moved that the bill as amended be recommended to pass. Carried.

HF 1136 (Patton); SF 1145 (Ogdahl): Judges, Benefit Improvements

L. Martin went over the memo. Stan Efron appeared before the Commission in behalf of the bill.

The bill will cost 4% of payroll per year. There are 217 active judges.

There is need to study this matter during the interim. Bill laid over.

R. Strand
Secretary

E. Diebel
Commission Secretary