

# State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

July 27, 28, 29, 1979 Meetings  
Mankato, Minnesota (Holiday Inn)

July 27, 1979 Meeting  
MINUTES

The Chairman, Sen. Stokowski, opened the meeting.

PRESENT: Senator Stokowski, Strand  
Representative Al Patton

Proposed Outline of the Commission's Report to the 1979-1980 Legislative Session  
L. Martin explained that the proposed outline includes the material that will be contained in the Commission's Report to the 1980 Legislature.

The chairman requested that any one who has suggestions should either write or contact the Commission office.

Review of Recent Audit Reports of PERA and TRA  
L. Martin went over the staff memo and discussion followed.

Some problems with the MAFB Fund were discussed, also interest assumption, teacher mobility, leaves of absence which are starting to cause an increase in liability for TRA, contribution rates for older people not funding the pensions, need for some kind of cost of living provision.

July 28, 1979 Meeting

PRESENT: Sen. Stokowski, Strand, Renneke  
Representative Al Patton

Rep. Patton moved approval of the minutes of the minutes of the July 15, 16, 17, 1979 meetings. Motion carried.

The actuarial bill for the period June 1 to 30, 1979 was approved for payment.

Additional Summaries of Significant 1979 Session Legislation:

Laws 1979, Chapter 217, First Class City Teachers Retirement Fund Associations;  
Codification of Coordinated Program; Recodification of General Law  
Laws 1979, Chapter 201, General Revision of the Laws Governing Volunteer  
Firefighters Relief Associations

Legislation Remaining from the 1979 Session

Some of the bills which have been heard and recommended by the Commission:  
SF 810 (Stokowski); HF 750 Patton: Volunteer Firefighters Relief Associations;  
Restriction on Coverage for Certain Fire Chiefs  
SF 960 (Strand); HF 915 (Patton): Major Retirement Funds; Modification in Vesting  
Period for the Proportionate Annuity at Age 65 Law  
SF 785 (Strand); HF 1274 (Patton): TRA Administrative Bill  
SF 918 (Stokowski); HF 1002 (Patton): MSRS Disability Benefits for Correctional  
Employees and Refund Applications  
SF 1200 (Strand); HF 1220 (Moe): MSRS; MTC-Transit Operating Division Employees  
Retirement Fund Consolidation Clarification  
SF 209 (Tennessee); HF 86 (Long): MMER; Clarification of Elected Official Retirement  
ment  
SF 1128 (Stokowski); HF 1192 (Patton): Local Police and Salaried Firefighters  
Relief Associations; Increase in Member Contributions

SF 425 (Kleinbaum); HF 350 (Patton): St. Cloud Police Relief Assn; Benefit Increase  
SF 806 (Bang); HF 405 (Blatz): PERA-P&F membership for Bloomington Police Chief  
SF 1159 (Stokowski); HF 1044 (Novak): PERA-P&F membership for certain St. Anthony Firefighters  
SF 1199 (Strand); HF 1221 (Moe): MSRS Administrative Bill

The chairman announced that at the Commission's August 20th meeting (already scheduled) a date would be set to have a hearing relating to the bills remaining from the 1979 Session as to how to handle them.

The Commission presented a Resolution to Mr. O. M. Ousdigian, retiring Executive Director of PERA, honoring him for his contributions to pensions in Minnesota.

Summary of Local Police and Fire Relief Associations Actuarial Valuations

L. Martin went over the staff memo and discussion followed.

It was noted that the Consumer Price Index is going up faster than the salaries. L. Martin was directed to look into this area.

Gary Findlay, actuarial firm of Gabriel, Roeder, Smith & Co., was present for questioning. Mr. Findlay advised that all the necessary information has now been received and that by October all the actuarial reports will be completed.

Update on Retirement Problems Related to CETA

L. Martin went over the staff memo.

The Federal regulations are ambiguous in what they require, especially in the State of Minnesota. How to comply with the new federal CETA regulations is causing considerable trouble. This problem will have to be addressed in the 1980 Session.

Rep. Patton moved a 7% increase in salary for the Executive Secretary and the Secretary of the Commission, retroactive to July 1, 1979. Motion carried.

Sunday - July 29, 1970

Review of Retirement Problems Related to the Federal Regulations Concerning the Age Discrimination in Employment Act.

L. Martin went over the staff memo.

"The Federal Age Discrimination in Employment Act of 1967 was amended on April 6, 1978 principally to increase the application of the protections provided by the act to employees between age 65 and age 70." On May 25, 1979, the Federal Department of Labor issued final interpretative regulations relating to the Age Discrimination in Employment Act.

Mr. Currie, Council 6, advised that one problem is with the loss of disability coverage after age 65.

Staff will attempt to determine what other states are doing re the Federal regulations concerning age discrimination in employment compliance.

Problems Related to the Collection of Employer Contributions

L. Martin reviewed the memo.

Introduction to Topics for Proposed Subcommittee Work

L. Martin went over the memo.

Five topics for Subcommittee work were suggested in the memo:

- 1) Police & Fire State Aid Administration and Revenue Sources
- 2) Revision of the Qualifications for Entitlement to a Disability Benefit
- 3) Revision of Investment Limitation and Reporting Laws
- 4) Revision of the Procedure for Crediting Service
5. Reconsideration of the Commission's Policy on Buybacks

The chairman appointed Senator Collin Peterson and Representative John Sarna to the Police and Fire State Aid Subcommittee.

Bob Currie, Council 6, reported that the State Employees Union took action for some type of voting member to service on an investment council; that they want some input.

PERA also wants representation on the investment board discussions.

Mr. James Heim, Duluth Firemen's Relief, related to a problem with the relief association audit whereby the state examiner now states that per diem is not a necessary expense.

Commission staff will check into this disagreement.

Meeting adjourned at 11:00 A.M.

Roger Strand, Secretary

E. Diebel  
Commission Secretary