

March 3, 1980 Meeting  
Room 22, State Office Building  
5:00 P.M.

The chairman, Rep. Al Patton, opened the meeting.

PRESENT: Senators Strand, Peterson, Schmitz, Renneke  
Representatives Sarna, Patton, Biersdorf, Kaley, Moe

HF 1770 (Berkelman); SF 1782 (Solon) Duluth Teachers Retirement Association  
The bill provides for an increase in retirement benefits for current active members, a post retirement increase for current retired members, a modification in retirement plan coverage for new members and members who elect the modified coverage, and an increase in both member and employer contributions. For current active members, the benefit accrual rate is increased from 1.15% per year of service for all years of service to 1.25% per year of service for all years of service and a survivor benefit of the second half of a 100% joint and last survivor of equal value to the current survivor benefit is added. For current retired members, an 8.7% post retirement adjustment is provided. For all new teachers employed after July 1, 1980 and all current active members who elect the change in coverage, retirement benefit coverage will be provided pursuant to the statutory first class city teachers retirement fund coordinated program modeled on the Teachers Retirement Association coordinated program. Member contribution for current and new active

Ed. Blanck, Executive Secretary of the Duluth Teachers Retirement Fund Association, explained the bill.

Larry Martin, Executive Secretary of the Commission, went over the staff memo and discussion followed.

Rep. Moe moved that HF 1770, SF 1782 be recommended to pass as amended.

HF 1786 (Evans); SF 1694 (Peterson): Statewide Retirement Funds; Post Retirement Adjustment for Certain Omitted Retirees  
This bill provides for the payment of two lump sum post retirement adjustments to any person who was a pre-1973 retiree of one of the five statewide retirement funds or a non-formula plan retiree of the Minneapolis Municipal Employees Retirement Fund and who was not eligible for the lump sum post retirement adjustment approved by the 1979 Legislature because the person had not attained the minimum age of 65 years on or before July 1, 1979.

Larry Martin went over the staff memo and discussion followed.

Rep. Biersdorf moved that the staff be directed to draft an amendment to provide for the surplus to be redistributed to those retirees eligible for the lump sum post retirement adjustment. Motion carried

Rep. Kaley moved to accept the proposed staff amendment. Motion carried

Sen. Peterson moved that HF 1786; SF 1694 as amended be recommended to pass. Motion carried

HF 2085 (Reding); SF 1693 (Peterson) Volunteer Firefighters Relief Associations; Financing and Pension Amounts  
The bill makes a number of modifications in the 1979 revision of the law governing volunteer firefighters' relief associations. It provides for the inclusion of interest payable on installment payments of a lump sum service pension. It also removed the ceiling on the flexible financing

related service pension maximums for both relief associations paying lump sum service pensions and relief associations paying monthly service pensions. The calculation of the amount of a deferred service pension is also modified to provide that it will be governed by the benefit plan in effect at that time of retirement rather than at the time of termination of active service. A limitation applicable to retirement benefits other than a service pension is modified to provide for a minimum benefit amount irrespective of the amount of the service pension accrued. Authorization is also granted for a relief association paying a monthly service pension to increase the amount of the service pension payable to retired members whenever the amount of the service pension applicable to active members is increased.

H.F. 2085; SF 1693 was recommended to pass as amended (Peterson motion)  
(See attached amendments)

Prior Service Credit/Buy Back Discussion

Karen Dudley, Commission staff, went over the staff memo relative to the bills which have been introduced re buying back prior service credit.

Eighteen bills had been introduced during the 1979-1980 Session which authorize various persons to purchase credit for various types of prior service in a number of state public pension funds. There are three categories of purchase of prior service credit bills; bills that apply to a unique situation, bills that apply to more than one person, bills which apply to a group of persons.

Rep. Patton moved to set up a permanent subcommittee within the Commission of 4 members to deal with buy-backs. Motion carried.

(A Subcommittee was set up: Sen. Strand, Chairman, Sen. Renneke, Rep. Kaley, Rep. Patton)

Roger Strand  
Secretary

E. Diebel  
Steno