

April 6, 1981 Meeting
Room 22 State Office Building
7:00 P.M.

MINUTES

Rep. John Sarna, chairman, opened the meeting.

PRESENT: Senators Donald Moe, Collin Peterson, Frederickson, Spear
Representatives Kaley, Rice, Reding, Rodriguez, Sarna

HF 251 (Sarna); SF 207 (Collin Peterson): PERA: Administrative Bill

The bill makes a number of changes in Minnesota Statutes, Chapter 353, the law governing the Public Employees Retirement Association. The changes provided for in the bill are intended to be administrative in nature and have been recommended by the PERA Board of Trustees. Staff amendments were approved.

Rep. Moe moved that HF 251; SF 207, be recommended to pass as amended. Motion Carried

HF 996 (Reding); SF 983 (D. M. Moe): TRA Administrative Bill

The bill amends a number of provisions in Minnesota Statutes, Chapter 354, the general law governing the Teachers Retirement Association. The modifications are essentially administrative in nature and are requested by the TRA Board of Trustees. Staff amendments were approved.

Staff amendment clarifying modifications in the proposed changes or amended provisions and also providing that the bill will be effective upon final enactment was approved. A second staff amendment providing authority for the TRA Executive Director to require the amount of any omitted member deductions be paid by an employing unit was approved.

Ken Bresin, MEA and Elton Erdahl, Assistant Director of TRA, and also John Garnder, TRA, spoke in behalf of special provisions of the bill.

Sen. Spear moved that HF 996; SF 983 be recommended to pass as amended. Motion Carried.

HF 247 (D. Peterson); SF 152 (Spear) - Omnibus Purchase of Prior Service

HF 247; SF 152 consists of a consolidation of eight separate bills concerning purchase of prior service. HF 247; SF 152 provides the following:

- a) entitles certain current and former public employees to purchase service credit for prior service in various public employee retirement funds and associations for periods of time for which they do not currently have service credit;
- b) requires that the cost of the purchase to be paid to the retirement fund or association be equal to the value of what is purchased; and
- c) entitles a certain police officer to obtain future service credit in Public Employees Police and Fire Fund.

The eight bills are:

1. SF 58 (Wegener); SF 202 (Welch) Purchase of prior service for Mille Lacs county commissioner (PERA)
2. SF 135 (Solon); HF 207 (Gustafson) Purchase of prior service credit for university of Minnesota at Duluth professor
3. SF 152 (Spear); SF 247 (Sarna) Purchase of prior service credit for Minneapolis municipal court reporter (PERA)
4. SF 281 (Knutson); HF 324 (Metzen) PERA coverage for West St. Paul police officers formerly Lilydale police officers; purchase of prior service credit in PERA
5. SF 396 (Pillsbury); HF 558 (Kaley) Purchase of prior service credit for legislative employees (MSRS)
6. SF 856 (Wegener); HF 679 (Wenzel) Purchase of prior service credit for former Dept. of Military Affairs employee employed at Camp Ripley (MSRS).
7. SF1133 (Hughes); HF 422 (Kostohoryz) Purchase of prior service credit for PERA-P&F for Dept. of Veterans Affairs employees (MSRS).

8. HF 259 (Samuelson); No Senate file Purchase of prior service credit in PERA-P&F for Brainerd fire chief

Karen Dudley, Commission staff went over the subcommittee report on the purchase of prior service. Sen Spear moved adoption of the subcommittee report. Motion carried.

The bill will be referred to the Appropriations Committee.

A motion to amend the contents of the report of the purchase of prior service subcommittee to HF 247; SF 152, was recommended to pass. Motion carried.

HF 247; SF 152 was recommended to pass as amended. Motion carried.

HF 1158 (Reding); SF 1106 (Moe, D. M.): Various Public Pension Funds: Clarification of Ambiguous References

Bill makes a number of changes in the laws governing a variety of public pension funds, clarifying various ambiguous provisions, correcting various oversights, inconsistencies, obsolete and conflicting provisions. The bill was prepared by the Commission staff.

L. Martin, Exec. Sec., sent over the memo.

Rep. Sarna moved to delete the following sections of the bill: 215, 218, 210, 212, 213. Also the staff amendments relating to the deleted sections are to be removed. Motion carried.

Gus Welter, Volunteer Firefighters, will discuss the deleted sections which the volunteer firefighters object to at a later date.

Sen. Peterson moved to accept the staff amendment. Motion carried.

Sen. Peterson moved the HF 1158; SF 1106, be recommended to pass as amended. Motion carried.

HF 1223 (Reding); SF 1079 (Stern): PERA; Exclusion of City Managers from Membership

The bill allows city managers to elect individually to be excluded from membership in and retirement coverage by the Public Employees Retirement Association and allows the employing city to make an employer contribution equal to the employer matching contribution.

L. Martin went over the staff memo.

Walt Fehst, City Manager of Robbinsdale, advised the Commission that there 92 positions recognized by the International City Managers Association; that more than one-half of these have more than 10 years tenure.

Bob Thistle, City Manager of Coon Rapids, discussed the need for portability.

Two staff amendments were presented:

Rep. Sarna moved the staff amendment with the inclusion of Section 457 of the deferred compensation code section, which is a technical amendment. Motion carried.

Rep. Sarna moved the staff amendment, a no buyback provision. Motion carried.

Relative to tax treatment of this bill, Sen. Collin Peterson moved that staff be directed to draft an amendment that the deductible employee contributions are not deductible for Minnesota income tax purposes. Motion carried.

Rep. Reding moved that staff draw up an amendment as to the period of time allowed for the election of the exclusion. Motion carried.

Rep. Rice moved that HF 1223; SF 1079, be recommended to pass as amended. Motion carried.

HF 779 (Reding); SF 690 (Peterson, C.): Judges Fund; Survivor Benefit Coverage

The bill provides to former judges on deferred annuity status (judges who have at least ten years of service credit in the judges retirement fund and who have not yet attained the minimum required age for the commencement of a retirement annuity) with the same casualty survivor benefit coverage which is now provided to active judges. It also removes the current refund of accumulated member contributions plus interest survivor benefit provision applicable to all former judges.

Rep. Reding moved that HF 779; SF 690 be recommended to pass. Motion carried.

HF 390 (Reding); SF 447 (Moe, D.M.): Teachers Retirement Funds: Providing for an increase in the amount of employer contributions.

HF 391 (Reding); SF 424 (Moe, D.M.): Teachers Retirement Funds: Providing for an increase in the amount of employer contributions

HF 925 (Kaley); SF 853 (Renneke): Teachers retirement funds: Providing for periodic increases in the amount of employer contributions

Rep. Sarna moved that HF 390, 391 and 925 be recommended to pass. Motion carried.

HF 825 (Reding); SF 690 (Peterson, C.C.): Volunteer Fire; Flexible Service Pension Maximums; Casualty Benefit Coverage. (not heard)

HF 824 (Reding); SF 786 (Peterson, C.) Volunteer Fire: Authorizing relief associations to increase benefits without municipal ratification. (not heard)

HF 824 (Reding); SF 690 (Peterson, C.C.): Volunteer Fire; Flexible Service Pension Maximums; Casualty Benefit Coverage.

All volunteer firefighters relief associations receive financial support from tax revenues. Not all volunteer relief associations receive support from local tax levies, but all qualified associations receive support from the fire state aid program which is based on a 2% premium tax on fire, lightning, sprinkler leakage and extended coverage insurance written on property in the state. The bill amends the language governing volunteer firefighters relief associations to provide that under certain circumstances municipal approval of benefit plan amendments is not required.

HF 825 (Reding); SF 787 (Peterson, C.C.) Volunteer Firefighters Relief Assns: Flexible Service Pension Maximums and Casualty Benefit Coverage.

The bill makes a number of modifications in the laws governing the volunteer firefighters' relief associations.

Leo Reding
Secretary

Eleanor Diebel
Staff Secretary