



March 27, 1987
Room 10
State Office Building

6th Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Representative Wayne Simoneau, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 12:30 PM.

Commission members present:

Representatives:

Clark
Reding
Simoneau

Senators:

D. Moe
Pogemiller
Renneke
Waldorf
Wegscheid

Member absent:

B. Johnson
Knickerbocker

A quorum was present.

Representative Simoneau called for reports from the Commission Actuary, Fund Administrators and the Executive Director of the State Board of Investment. There were no reports.

Rep. Simoneau introduced the 6th item on the agenda, Early Normal Retirement Under the Rule of 90. Jim Heidelberg, Assistant Director of the LCP&R, reviewed the material distributed to the Commission. Mr. Heidelberg noted that Public Employees Retirement Association (PERA) is currently the only plan with the Rule of 90 provision.

Mr. Robert Perkins, Commission actuary, reviewed the actuarial impact of the Rule of 90, and noted the unfunded liability of PERA would go up if there was not a corresponding increase in contributions to offset the increased benefit of the Rule of 90.

Mr. Lawrence Martin, Executive Director of the Commission, noted that H.F. 944 does not increase the cost to the employer or employee and an amendment should accompany this bill to accommodate funding this benefit if it is passed.

Discussion followed.

Rep. Simoneau introduced the 7th item on the agenda, Early Normal Retirement Age and a Level Benefit Formula. Larry Martin reviewed the information distributed to the Commission.

Robert Perkins reviewed the level benefit and age 62 retirement actuarial cost impact analysis and noted that the level benefit actuarial cost impact was greater than the age 62 normal retirement actuarial cost impact.

Paul Groschen, MSRS Executive Director, spoke in favor of S.F. 489. He stated that his members were specifically in favor of the level benefit formula.

Jim Schneider, a PERA member, spoke in support of the Rule of 90, H.F. 944. Ron Lindahl, a PERA member, also spoke in favor of the Rule of 90.

Stan Peskar, League of Minnesota Cities, stated that the cities will not have the additional funds required to pay for the age 62 normal retirement and the level benefit formula.

Discussion continued.

The meeting adjourned at 2:00 P.M.



Jean Lieb Gott, Secretary