

March 10, 1993  
Room 318  
Capitol

1st Meeting



**Subcommittee to Review Proposed Public Pension Plan Administrative Legislation**  
of the LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Senator LeRoy Stumpf, Chair of the Subcommittee to Review Proposed Public Pension Plan Administrative Legislation, called the meeting to order at 2:15 PM.

Commission members present:

Representatives Mindy Greiling, Phyllis Kahn, and Gerald Knickerbocker  
Senators Steven Morse, Phil Riveness, and LeRoy Stumpf

**S.F. 519 (Stumpf); H.F. 574 (Reding): Statewide Plans; Administrative Provisions**

Sen. Stumpf requested that Edward Burek, LCPR Deputy Executive Director, review the staff memo and section-by-section summary of this bill and that MSRS and PERA make comments during Mr. Burek's review.

Mr. Burek began with a line-by-line review of amendment LCPR93-47.

Rep. Kahn moved amendment LCPR93-47. **MOTION PREVAILED.**

Mr. Burek referred members to his March 9, 1993, memo. He stated that this memo provides a section-by-section summary of each article of this bill and at the end of each article the policy issues related to that article are discussed. He then referred members to his March 10, 1993, memo. He stated that this memo also provides a section-by-section summary of each article in the bill but this memo uses a (\*) symbol to denote sections with significant benefit related implications and uses a (#) symbol to denote sections with significant general policy issue implications.

Mr. Burek referred members to Article 1, Sections 1, 6, 7, 9, 20, 22, and 24 all of which permit 180 day retroactivity for receipt of a benefit after application.

Dave Bergstrom, MSRS Executive Director, testified that current MSRS retroactivity is 60 days, PERA retroactivity is one year, and TRA retroactivity is 90 days. Discussion followed.

\*Mr. Burek referred members to Article 2, Section 1, which permits former legislators who were not vested in the Legislators Plan but have sufficient time to retire under a combined service annuity plan to have survivors coverage by way of an optional joint and survivor annuity for their legislative service.

Dave Bergstrom, MSRS Executive Director, testified that this provision would plug a hole in the current Legislators Plan.

Mr. Burek referred members to Article 2, Section 6, which would permit a member who had previously repaid a refund plus interest and then terminated service to receive a refund of the repayment and interest, plus six percent interest from the repayment date. Discussion followed. Mr. Bergstrom stated that with the interest rate for repayments of refunds increasing to 8.5%, it seems to be a fairness issue to give a member who's job may be eliminated a refund of their previous repayment plus the interest the member paid.

Laurie Hacking, PERA Executive Director, stated that PERA received the authority to refund the repayment and interest last year in their administrative bill.

John Gardner, TRA Assistant Director, stated that TRA does not have this provision. Discussion followed.

Sen. Riveness stated that he believed this was a fair provision and that it had little or no fiscal impact. Discussion followed.

Mr. Burek referred members to the sections in this bill that would bring MSRS, PERA, and TRA into compliance with the Age Discrimination Act. Mr. Burek stated that in trying to comply with the Age Discrimination Act, several benefit provisions may be changed and some may be improved. He noted that the Equal Employment Opportunity Commission (EEOC), in charge of administering and overseeing the Age Discrimination Act, has not yet come up with rules and regulations, so there is uncertainty as to what changes are necessary to comply with the Act. He stated that making changes now that may improve benefits and be unnecessary to comply with the Age Discrimination Act may not be able to be reversed when the rules and regulations are established. Mr. Burek also noted that MERF and the first class city teacher administrative bills do not address the Age Discrimination Act. Sen. Stumpf referred members to a handout regarding the History of Age Discrimination Laws.

Ms. Hacking testified that MSRS and PERA are not addressing the Age Discrimination Act prematurely but are actually late since the effective date for most of the provisions that apply to state and local governments was October 16, 1992. MSRS has already been cited by the EEOC for violation of the 1986 Omnibus Budget Reconciliation Act.


Mr. Bergstrom stated that MSRS may be in violation of the Age Discrimination Act with 70-80 people hired before 1973 who work for the Bureau of Criminal Apprehension and Conservation Officers for the DNR who may work beyond age 60 but do not accrue further benefit from the contributions they are required to make. Since 1973 the members of this plan have had mandatory retirement at age 60. He further stated that it will cost MSRS approximately \$300,000 to fulfill the remedy reached in conciliation with the EEOC and settle the citation. Mr. Bergstrom has an unnumbered amendment to accomplish what the EEOC required in the conciliation agreement.

Rep. Knickerbocker moved pages 1-2, lines 18 through 5, of an unnumbered amendment provided by MSRS. **MOTION PREVAILED.**

Mr. Burek's review continued and additional discussion occurred regarding the age discrimination issue.

Sen. Stumpf questioned whether members were prepared to accept the age discrimination language in this bill. Members responded that they believed there was little choice in this matter. Discussion followed.

The meeting adjourned at 4:00 P.M.

  
Jean Lieb Gott, Secretary

- \* The tape player was defective during this meeting. The tape begins at this point, approximately 1/2 hour after the beginning of the meeting.