



March 10, 1994
Room 107, Capitol

20th Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Senator Phil Riveness, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 6:40 P.M.

Commission members present:

Representatives Mindy Greiling, Bob Johnson, Phyllis Kahn, Gerald Knickerbocker, and Leo Reding
Senators Lawrence Pogemiller, Phil Riveness, LeRoy Stumpf, and Roy Terwilliger

S.F. 793 (McGowan); H.F. 985 (Weaver): Public Employee Police and Fire Fund; Modification of Reemployed Disabilitant Benefit Offset

Sen. McGowan briefly reviewed the bill and testified that this bill would permit police and fire disabilitants to earn 125% of the base salary of an active police officer or firefighter before the disabilitant's benefit would be offset. Sen. McGowan offered a technical amendment to the bill as follows:

Page 2, line 2, delete "original" and insert "current"
Page 2, line 12, after "enactment" insert an underscored period
Page 2, delete lines 13 and 14

Laurie Fiori Hacking, PERA Executive Director, testified in support of the amendment and stated that the new wording was more appropriate.

Edward Burek, LCPR Deputy Executive Director, reviewed LCPR94-34, a delete everything amendment, that would permit the Commission to choose something other than the 125% of earnings amount and to reduce the disability benefit by an amount other than the current \$3 for each \$1 earned. He then reviewed LCPR94-35, a second delete everything amendment, that would permit the Commission to choose something other than the 125% of earnings and would eliminate the benefit once the earnings limit was reached.

Rep. Johnson moved the technical amendment offered by Sen. McGowan. **MOTION PREVAILED.**

Sen. Terwilliger moved approval of S.F. 793; H.F. 985 as amended. **MOTION PREVAILED.**

S.F. 609 (Kroening); H.F. 662 (Orfield): MTRFA; Out-of-State Teaching Service Purchase

Sen. Kroening reviewed this bill and testified that it would be helpful in recruiting minority teachers from out of state.

Karen Kilberg, MTRFA Executive Director, testified in support of this bill.

Lawrence Martin, LCPR Executive Director, reviewed the staff memo and two amendments, LCPR94-26 (a technical amendment), and LCPR94-27, (a substantive amendment which addresses several policy issues arising out of this bill).

Rep. Johnson moved approval of amendment LCPR94-26. **MOTION PREVAILED.**

Ms. Kilberg testified in opposition to LCPR94-27 because it restricts the out-of-state purchase of service to recruitment efforts as designated by the Superintendent of schools and because of the additional reporting requirement. Discussion followed.

Rep. Reding moved to amend LCPR94-27 as follows:

Page 1, delete lines 19 through 24

Page 2, delete lines 1 through 8

Page 2, delete lines 31 through 36

Page 3, delete lines 1 through 13

MOTION PREVAILED.

Rep. Reding moved approval of LCPR94-27 as amended. **MOTION PREVAILED.**

Sen. Stumpf moved approval of S.F. 609; H.F. 662 as amended. **MOTION PREVAILED.**

S.F. 1680 (Murphy); H.F. 1881 (Dempsey): Red Wing Police; Additional PERA-P&F Benefit Election Option

Rep. Dempsey reviewed the bill and testified that this bill would permit six Red Wing police officers an additional opportunity to elect PERA-P&F benefits. He further testified that the bill has the support of the City of Red Wing and the Police Federation.

Steve Perkins, Red Wing City Administrator, testified that this legislation would save the City of Red Wing a minimum of \$100,000 per year.

Rep. Reding stated that he has an unnumbered amendment to this bill that would make it a statewide bill and permit all consolidated relief association members to have a second chance to elect an option. He stated that PERA supports this concept. Rep. Reding further stated that this bill does not have a local approval clause.

Ms. Hacking testified that PERA would support adding a local approval clause to this amendment.

Rep. Dempsey does not object to having his bill become a statewide bill but Sen. Murphy prefers to keep this bill a local bill.

Sen. Riveness suggested that Rep. Reding add his statewide amendment to PERA's administrative bill.

Sen. Terwilliger moved approval of S.F. 1680; H.F. 1881. **MOTION PREVAILED.**

S.F. (); H.F. 1913 (Farrell): St. Paul Police; Retroactive Refund Eligibility

Rep. Farrell reviewed his bill and testified that similar legislation passed last session for the St. Paul Firefighters Relief Association.

Rep. Johnson stated that this bill had passed the LCPR's Special Legislation Subcommittee.

Rep. Johnson moved approval of H.F. 1913. **MOTION PREVAILED.**

S.F. 1818 (Stumpf); H.F. 1927 (Tunheim): Major Funds; Special Medicare Referendum

Sen. Stumpf reviewed an amendment to the bill and testified that after PERA checked into this issue, they found that the referendum could be conducted by unit. The unit in this case would be Karlstad Hospital. PERA further determined that only one person would elect Medicare coverage.

Sen. Stumpf moved approval of the "A" delete everything amendment to this bill. **MOTION PREVAILED.**

Sen. Stumpf moved approval of S.F. 1818; H.F. 1927 as amended. **MOTION PREVAILED.**

S.F. 2028 (Stumpf); H.F. 2269 (Tunheim): TRA; Elwin Leverington Retirement Effective Date

Sen. Stumpf reviewed this bill and testified that this teacher retired as of June 30, 1982, but his application was not postmarked until July 1, 1982, and he, therefore, missed the January 1, 1983, postretirement adjustment.

Rep. Johnson noted that this bill had passed the LCPR's Special Legislation Subcommittee and TRA is not opposed to this bill.

Mr. Martin testified that in the late 1980's, TRA indicated that there were 27 other members who had missed the July 1, 1982 deadline who might also request the opportunity to have their retirement effective date set at July 1, 1982. Sen. Stumpf had several supporting documents and testified that this case is unique. Discussion followed.

Sen. Stumpf moved approval of amendment LCPR94-57. **MOTION PREVAILED.**

Sen. Stumpf moved approval of S.F. 2028; H.F. 2269 as amended. **MOTION PREVAILED.**

S.F. 2018 (Stumpf); H.F. 2297 (Tunheim): TRA; Early Retirement Incentive Program for School Consolidations

Sen. Stumpf reviewed the bill and testified that this bill was heard in the Senate Education Committee and would be heard in the House Education Committee. This bill would provide an early retirement incentive for consolidating school districts.

Chuck Kostrum, Department of Education, testified that from 1950 - 1990, Kittson, Marshall and Polk school districts lost up to 50% of their students and will probably lose anywhere from 25% to 40% more in the 1990-2020 timeframe. Several other school districts are also consolidating.

Don Vellenga, Superintendent of Kennedy and Kittson Central, testified in support of this bill. He testified that this bill would permit school districts to work out of a deficit and would provide options for consolidating school districts.

Bob Larson, MEA, testified in support of this bill and stated that it provides flexibility in dealing with teachers in school district consolidation situations.

Mr. Martin reviewed technical amendment LCPR94-45.

Sen. Stumpf moved approval of technical amendment LCPR94-45. **MOTION PREVAILED.**

Mr. Martin reviewed LCPR94-46, a substantive amendment, and the four changes noted on page 2 of the staff memo. Discussion followed.

Sen. Stumpf moved approval of amendment LCPR94-46. **MOTIONED PREVAILED.**
Discussion followed.

Sen. Stumpf moved approval of S.F. 2018; H.F. 2297 as amended. **MOTION PREVAILED.**

S.F. 1280 (Piper); H.F. 1416 (Reding): Austin Fire; Post Retirement Medical Coverage and Surviving Spouse Benefit Coverage

Mr. Martin referred members to the staff memo relating to this bill. He noted that actuarial numbers for this bill have been included in members' packets and the bill has a local approval clause. Rep. Reding referred members to a letter from the Austin City Manager and LCPR94-33, a delete everything amendment. He then reviewed the amendment.

Dave deChamps, Secretary of the Austin Fire Relief Association, testified in support of the bill and amendment.

Rep. Reding moved approval of LCPR94-33, the delete everything amendment. **MOTION PREVAILED.**

Rep. Reding moved approval of S.F. 1280; H.F. 1416 as amended. **MOTION PREVAILED.**

S.F. 614 (Krentz); H.F. 664 (Greiling): TRA; Job-Sharing Service and Salary Credit

Mr. Burek reviewed the staff memo and LCPR94-31, the delete everything amendment that came out of the Commission's interim study of this issue.

Sen. Krentz requested deleting "15" and inserting "20" on page 2, lines 21 and 22 and page 3, lines 30 and 31. Sen. Krentz provided further background on this issue.

Rep. Johnson moved Sen. Krentz's verbal amendment. **MOTION PREVAILED.**

Rep. Johnson moved approval of LCPR94-31 as amended. **MOTION PREVAILED.**
Discussion followed.

Rep. Greiling moved approval of S.F. 614; H.F. 664 as amended. **MOTION PREVAILED.**

S.F. 1854 (Kroening); H.F. 1855 (Reding): MSRS; Exception to Re-employed Annuitant Earnings Limit In Certain Cases

Rep. Reding reviewed the bill and testified that this problem resulted from last session's legislation which permitted U of M steam plant employees to continue MSRS pension coverage.

Tom Koehler, representative of the International Brotherhood of Electrical Workers, testified in support of this bill.

Bob Longsdorf, the employee for whom this legislation was drafted, testified in support of this bill.

Mr. Martin stated that to prevent this legislation from setting a precedent, Commission members should note the unique circumstances of this situation for the record. Discussion followed.

David Bergstrom, MSRS Executive Director, reviewed the three alternatives they had discussed with Mr. Longsdorf when this situation was brought to MSRS's attention. The alternatives were that Mr. Longsdorf repay his annuity, give up his current MSRS annuity and reapply when he does retire, or permit his exception to the reemployed annuitant earnings limit. Mr. Bergstrom testified that this is a very unique situation. Discussion followed.

Rep. Reding moved approval of S.F. 1854; H.F. 1855. **MOTION PREVAILED.**

S.F. 1723 (Piper); H.F. 1909 (Reding): Local Police and Fire Remarried Surviving Spouse Benefits
Rep. Reding reviewed the background and testified in support of this bill.

Mr. Martin reviewed the staff memo and stated that this bill would mandate continuation of surviving spouse benefits after remarriage. He reviewed a technical amendment, LCPR94-30, that made conforming changes to the consolidation law. Mr. Martin then reviewed an amendment that would remove the mandate and provide for local approval.

Rep. Reding moved approval of LCPR94-30. **MOTION PREVAILED.**

Rep. Reding moved approval of the amendment providing local approval. **MOTION PREVAILED.**

Rep. Reding moved approval of S.F. 1723; H.F. 1909 as amended. **MOTION PREVAILED.**


S.F. (); H.F. 2017 (Johnson, B.): State Deferred Compensation Plan; Various Regulatory Modifications

Rep. Johnson reviewed the background on this issue and H2017A3, a delete everything amendment. He requested that this bill be laid over until Senate Commission members could be present to hear the presentation.

A quorum was present.

Sen. Riveness briefly reviewed the legislation considered by the Commission and took final motions. (See final motion after each bill.)

The meeting adjourned at 9:20 P.M.


Jean Liebott, Secretary