



May 12, 2005  
Room 15 Capitol

10<sup>th</sup> Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

**Call to order:**

Senator Lawrence Pogemiller, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:30 a.m.

**Commission Members Present:**

Representatives Mary Murphy, Dennis Ozment, Steve Smith, Paul Thissen, and Lynn Wardlow  
Senators Don Betzold, Keith Langseth, Cal Larson, and Lawrence Pogemiller

**Commission Members Absent:**

Senator Geoff Michel

**Agenda Items**

Senator Pogemiller referred members to Delete-All Amendment LCPR05-301, the proposed Omnibus Retirement Bill II. Sen. Pogemiller indicated that S.F. 1057; H.F. 1120 will be the vehicle and that the bill will be heard by the Senate Finance Committee tomorrow.

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed delete-all amendment LCPR05-301.

Senator Betzold moved amendment LCPR05-305. **MOTION PREVAILED.**

Senator Betzold moved amendment LCPR05-304. **MOTION PREVAILED.**

David Bergstrom, Executive Director, MSRS, testified in support of the MSRS contribution rate increase provisions in Article 1.

Mary Vanek, Executive Director, PERA, testified in support of the PERA contribution rate increase provisions in Article 1.

Phil Kapler, Executive Director, SPTRFA, testified that he raised the issue of the proposed board authority to adjust contribution rates and SPTRFA would be interested in the same authority.

Gary Austin, Executive Director, TRA, testified in support of the provisions of Article 2, and provided handout materials.

Mr. Martin reviewed the proposed pension default insurance pool provisions contained in Article 4.

Mr. Bergstrom testified that the pool proposal would not bring much relief, that it would take 58 years to recover one month of benefits.

Ms. Vanek expressed a legal concern about assessing this charge against the plan.

Mr. Bergstrom testified that the deferred annuitant augmentation rate changes in Article 5 should apply to new hires only, that this proposal may go too far in eliminating rather than modifying the augmentation, and that he has not yet consulted with the MSRS board on the proposal.

Ms. Vanek indicated the PERA board's interest in modifying augmentation rates.

Mr. Austin testified that TRA is not in favor of eliminating the augmentation entirely.

Mr. Kapler testified that SPTRFA wants out regarding the augmentation elimination.

Jay Stoffel, Executive Director, DTRFA, testified that while he agrees with the intent, eliminating the augmentation is severe and that a modification is more appropriate, perhaps to 2-2½ percent.

Senator Pogemiller indicated that the salary cap provisions in Article 6 are in the Senate State Departments bill and that the Commission will dovetail what they do.

Joe O'Neill, representing the Pre-69 teachers, testified in support of the provisions of Article 3, and expressed concern regarding the \$11 million appropriation from the General Fund.

Lisa Nentl-Bloom, Education Minnesota, testified in support of LCPR05-301.

Senator Pogemiller reminded members that LCPR05-301 represents agenda items 1-10, and that items 11 and 12 will be continued to Friday's meeting.

Senator Betzold moved Delete-All Amendment LCPR05-301, as amended. **MOTION PREVAILED.**

### **Adjournment**

The meeting adjourned at 9:50 a.m.

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Lisa Diesslin, Administrative Secretary