



February 12, 2010

Room 107 Capitol

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Senator Don Betzold, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 11:05 a.m.

Commission Members Present:

Representatives Mary Murphy, Phyllis Kahn, Michael V. Nelson, Steve Smith, and Paul Thissen
Senators Don Betzold, Ann Lynch, Mary A. Olson, Sandra L. Pappas, and Julie A. Rosen

Agenda Items

Approval of prior Commission meeting minutes

Sen. Lynch moved approval of the February 5, 2010, meeting minutes. **MOTION PREVAILED.**

S.F. 1407 (Tomassoni); H.F. 1358 (Mahoney): MSRS-Unclassified; Transfer option to MSRS-General.

Sen. David J. Tomassoni and Rep. Tim Mahoney presented and testified in support of their bill.

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed amendment S1407-5A.

Sen. Lynch moved amendment S1407-5A.

David Bergstrom, Executive Director, MSRS, reviewed the employee and employer contribution rates for members of the Legislators Retirement Plan and the MSRS-Unclassified Program. Mr. Bergstrom testified that the -5A amendment addresses concerns of MSRS. For vesting reasons, Mr. Bergstrom recommended giving legislators with less than seven years of service up to seven years to choose and offering an election window to legislators with more than seven years of legislative service.

Mr. Martin suggested the following language to incorporate Mr. Bergstrom's suggestion: page 1, line 16, after "before" insert "the end of the member's seventh year of legislative service or" and after "2011" insert "whichever is later,".

Sen. Lynch incorporated Mr. Martin's language into her motion to adopt amendment S1407-5A.

Sen. Lynch renewed her motion to adopt amendment S1407-5A, as amended. **MOTION PREVAILED.**

Sen. Olson moved amendment LCPR10-031-1A.

Morgan Fleming testified in opposition to the LCPR10-031-1A amendment.

Rep. Mahoney testified in opposition to the LCPR10-031-1A amendment.

Sen. Tomassoni testified in opposition to the LCPR10-031-1A amendment.

Sen. Olson renewed her motion on the LCPR10-031-1A amendment. **MOTION FAILED.**

Sen. Lynch moved amendment S1407-6A.

Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed -6A amendment.

Mr. Bergstrom testified in support of the -6A amendment and explained the effect of the amendment on member contribution rates. Mr. Bergstrom mentioned there would be an advantage to members if they

transfer to MSRS-General from the Unclassified Program because they would not have to pay the difference in contribution rates; at worst, members would save more for retirement.

Sen. Tomassoni testified that the amendment is appropriate.

Sen. Lynch renewed her motion on amendment S1407-6A. **MOTION PREVAILED.**

Rep. Murphy moved amendment S1407-1A. **MOTION PREVAILED.**

Mr. Bergstrom testified in support of amendment S1407-2A.

Rep. Nelson moved amendment S1407-2A. **MOTION PREVAILED.**

Rep. Kahn moved S.F. 1407/H.F. 1358, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

LCPR10-005: MSRS; Retirement-related administrative provisions.

Mr. Burek reviewed the staff memo and policy issues raised by the bill.

Sen. Betzold suggested taking the bill section by section.

Sen. Pappas moved LCPR10-005, Section 1, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Rep. Kahn moved LCPR10-005, Section 2, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mary Vanek, Executive Director, PERA, testified in support of amendment LCPR10-005-3A.

Rep. Nelson moved amendment LCPR10-005-3A. **MOTION PREVAILED.**

Rep. Kahn moved LCPR10-005, Section 3, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Sen. Pappas moved LCPR10-005, Section 4, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Sen. Pappas moved amendment LCPR10-005-24A. **MOTION PREVAILED.**

Sen. Lynch moved LCPR10-005, Section 5, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mr. Bergstrom told members that he will consider the issue of what happens if a member employed by a labor union becomes disabled and he will come back with a recommendation.

Rep. Murphy moved LCPR10-005, Sections 6, 7, and 8, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Rep. Murphy moved LCPR10-005, Section 10, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Rep. Nelson moved LCPR10-005, Section 11, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mr. Burek reviewed amendment LCPR10-005-18A, and the potential amendments to the amendment.

Ms. Vanek testified in support of amendment LCPR10-005-18A and in opposition to amendment LCPR10-005-21A. Ms. Vanek also recommended amending Amendment LCPR10-005-18A on page 5, line 13, before "Fiscal" insert "current".

Sen. Betzold indicated that Ms. Vanek's recommendation would be incorporated into the amendment.

Mr. Bergstrom testified in support of the -19A amendment to the -18A amendment.

Rep. Kahn moved amendment LCPR10-005-19A. **MOTION PREVAILED.**

Ms. Vanek testified in support of the -20A amendment to the -18A amendment.

Rep. Nelson moved amendment LCPR10-005-20A. **MOTION PREVAILED.**

Ms. Vanek testified in opposition to the -21A amendment to the -18A amendment.

Rep. Murphy moved amendment LCPR10-005-18A, as amended. **MOTION PREVAILED.**

Rep. Murphy moved LCPR10-005, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 2474 (Betzold); H.F. 2739 (Murphy, M.): PERA; Service credit purchase procedures.

Mr. Burek reviewed the staff memo and policy issues raised by the bill.

Mary Vanek, Executive Director, PERA, testified in support of the bill and in support of alternative amendments S2474-A2 and -A3.

Mr. Burek reviewed the amendments.

Rep. Nelson moved technical amendment S2474-A1. **MOTION PREVAILED.**

Rep. Murphy moved amendment S2474-A3. **MOTION PREVAILED.**

Sen. Pappas moved S.F. 2474/H.F. 2739, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Adjournment

The meeting adjourned at 1:35 p.m.

Lisa Diesslin, Commission Assistant