

**S.F. 1091**  
(Dille)

**H.F. 1100**  
(Newman)

### **Executive Summary of Commission Staff Materials**

Affected Pension Plan(s): PERA Privatized Employees, PERA-General  
Relevant Provisions of Law: Minnesota Statutes, Section 353F.02, Subdivision 4  
General Nature of Proposal: Privatization of Hutchinson Area Health Care  
Date of Summary: March 29, 2005

### **Specific Proposed Changes**

- Adds Hutchinson Area Health Care employees to the PERA Privatized Employee chapter.

### **Policy Issues Raised by the Proposed Legislation**

1. Implications of using privatization model; privatized employees better off, PERA-General forfeits some actuarial gains.
2. Special consideration due to other bills introduced to reduce deferred annuity augmentation in PERA plans and to increase PERA-General contribution rates.
3. Issue of whether PERA-General receives some gain.
4. Existence of local support.

### **Potential Amendments**

Amendment LCPR05-088 removes considerable language from the bill if actuarial work has been completed and a gain is shown for PERA-General.

Amendment LCPR05-089 is a technical amendment that is needed if Amendment LCPR05-088 is not used, to indicate that work is to be performed by actuary jointly retained by the pension fund administrations rather than by the actuary retained by the Commission.

Amendment LCPR05-090 is a delete-all amendment allowing privatized employees to remain in PERA-General, if that approach has local support and if the Commission chooses to use that model.