

S.F. 1352
(Neuville)

H.F. 920
(Cox)

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 Northfield Hospital
Date of Summary: March 29, 2005

Specific Proposed Changes

- Add Northfield Hospital 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 LCPR05-067 removes considerable language from the bill made unnecessary due to receipt of actuarial work.

Amendment LCPR05-068 is a technical amendment that is needed if Amendment LCPR05-067 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.