

S.F. 157
(Tomassoni)

H.F. 94
(Rukavina)

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): Eveleth Police and Fire Trust Fund
Relevant Provisions of Law: New Proposed Special Law
General Nature of Proposal: Ad Hoc Benefit Increase for Retirees and Survivors of the Eveleth Police and Fire Trust Fund
Date of Summary: March 30, 2005

Specific Proposed Change

- Ad hoc benefit increase of \$100 per month for Eveleth Police and Fire Trust Fund retirees and survivors.

Policy Issues Raised by the Proposed Legislation

1. Whether a benefit increase is needed given the average age of the recipients (90.8 years).
2. Consideration of replacing ad hoc benefit increase requests with an automatic adjustment system.
3. Financial solvency of the trust fund.
4. The amount of the increase and design of the increase (\$100 per month for all recipients regardless of existing benefit level).
5. Local support for the proposal.

Potential Amendments

Amendment LCPR05-035 avoids frequent legislative requests by allowing Eveleth to provide a benefit increase every other year not to exceed \$100 per month.

Amendment LCPR05-036 is alternative to Amendment LCPR05-035, avoids frequent legislative requests by allowing Eveleth to provide annual benefit increases not to exceed the consumer price index.

Amendment LCPR05-037 revises the bill to provide a dollar increase, but different than the \$100 increase proposed in the bill.

Amendment LCPR05-038 amends the bill to provide a one-time percentage increase matching inflation rather than a dollar increase.