

Executive Summary of Commission Staff Materials

<i><u>Affected Pension Plan(s):</u></i>	PERA-General and Employer-Funded Supplemental Retirement Plans
<i><u>Relevant Provisions of Law:</u></i>	Minnesota Statutes, Sections 353.01, Subdivision 10; and 356.24, Subdivision 1
<i><u>General Nature of Proposal:</u></i>	Redefines Covered Salary and Increases Maximum Employer Contribution to Supplemental Retirement Plans
<i><u>Date of Summary:</u></i>	March 30, 2005

Specific Proposed Changes

- Includes supplemental retirement plan employer contributions in PERA-General covered salary definition.
- Extends supplemental retirement plan status to local laborers pension fund.
- Increases the maximum employer contribution to trade union supplemental retirement plans to \$5,000 annually.

Policy Issues Raised by the Proposed Legislation

1. Unresolved inconsistent policy on pension coverage for trade union personnel employed by local governmental entities.
2. Unclear policy on the role of supplemental retirement plans for public sector employees.
3. Appropriateness of redefining "salary" for PERA-General to include employer supplemental retirement plans.
4. Appropriateness of allowing "catch-up" contributions for 2002-2005 salary.
5. Appropriateness of extension of supplemental retirement plans to include the local labor union pension fund.
6. Appropriateness of increasing the \$2,000 maximum on trade union employer supplemental retirement plan contributions.

Potential Amendments

No technical or substantive amendments.