



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director *LAM*

RE: Funding Issue Related to the Special Retroactive Survivor Benefit on Behalf of a St. Louis Park Police Officer Killed in Iraq

DATE: March 23, 2006

Introduction

The House and Senate versions of the 2006 Omnibus Retirement Bill I, S.F. 2239 (Pogemiller); H.F. 2362 (Smith), differ on the issue of how to handle the funding for the special retroactive survivor benefit granted by the 2005 Special Session on behalf of a St. Louis Park police officer who was killed in Iraq.

Summary of First Special Session Laws 2005, Chapter 1, Article 4, Section 97

On June 30, 2005, as part of First Special Session Laws 2005, Chapter 1, the agricultural, environmental, natural resources, and economic development appropriations bill, an amendment to the death benefit provision of the Public Employees Police and Fire Plan (PERA-P&F) was enacted. The PERA-P&F survivor benefit amendment provided survivors of PERA-P&F members who die while in active military service with a duty-related survivor benefit and made the change retroactive to any applicable death on or after September 11, 2001. The PERA-P&F survivor benefit amendment was apparently intended to provide a full duty survivor benefit to the widow of the late St. Louis Park police officer, David Day, who had less than one year of PERA-P&F service credit, who did not die in the line of duty as a police officer while serving in the military in Iraq, and whose spouse did not meet the one-year of marriage minimum duration requirement for a non-duty death survivor benefit.

Commission Recommendation In Response To First Special Session Laws 2005, Chapter 1, Article 4, Section 97

After discussion over at least two Commission meetings and after consideration of various alternatives, the Commission recommended that the special retroactive survivor benefit on behalf of the late St. Louis Park police officer be funded by the City of St. Louis Park to the extent that a 2006 Session legislative appropriation does not fully cover the actuarial value of the special retroactive survivor benefit.

Senate State and Local Governmental Operations Committee Action on the Issue

The State and Local Government Operations Committee of the Minnesota Senate, in considering the 2006 Omnibus Retirement Bill I, amended the Commission recommendation relating to the funding of the late St. Louis Park police officer survivor benefit by appropriating from the State General Fund the entirety of the actuarial cost of the special survivor benefit. The Senate Finance Committee did not further modify the provision when it considered and recommended the proposed legislation.

House Governmental Operations and Veterans Affairs Committee Action on the Issue

The Governmental Operations and Veterans Affairs Committee of the Minnesota House of Representatives, in considering the 2006 Omnibus Retirement Bill I, removed the special late St. Louis Park police officer survivor benefit funding provision, leaving the liability for the special retroactive PERA-P&F benefit to be defrayed by the Public Employees Police and Fire Plan (PERA-P&F).

