

**S.F. xxx; LCPR05-383**

(Pogemiller)

H.F. xxx**Executive Summary of Commission Staff Materials**

Affected Pension Plan(s): PERA-General
Relevant Provisions of Law: Special Law Provision
General Nature of Proposal: Service Coverage Transfer
Date of Summary: January 26, 2006

Specific Proposed Changes

- Authorizes Randy Kelly to transfer coverage for service as Mayor of St. Paul from the PERA Defined Contribution Plan to the PERA-General Employees Retirement Plan.

Policy Issues Raised by the Proposed Legislation

1. Appropriateness of reversing a knowledgeable benefit coverage election.
2. Equitable considerations related to the coverage election issue.
3. Combined service annuity impact and the potential insufficiency of the required payment amount.
4. Appropriateness of transfer in light of the legislative policy favoring elected official defined contribution plan coverage.
5. Appropriate portion of the additional payment amount to be borne by the city of St. Paul.
6. Appropriateness of a local approval requirement.
7. Precedent.

Potential Amendments

- LCPR05-384 requires incorporation of Combined Service Annuity impact in service credit purchase payment amount. (Substantive)
- LCPR05-385 reduces permissible city portion of payment amount to reflect PERA-General employer contribution portion. (Substantive)
- LCPR05-386 adds local approval requirement. (Substantive)

