

**S.F. 375**

(Larson)

H.F. 446

(Moe)

Executive Summary of Commission Staff Materials

<i>Affected Pension Plan(s):</i>	MSRS-General
<i>Relevant Provisions of Law:</i>	Uncoded
<i>General Nature of Proposal:</i>	Permits an Employee at Bug-O-Na-Ge-Shig School to Have Service Credited Toward MSRS-General "Rule of 90" Eligibility
<i>Date of Summary:</i>	February 9, 2006

Specific Proposed Changes

- Authorizes Joseph Aitken, identified by date of birth and information specific to his situation, to be an active member of the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) for employment at the Bug-O-Na-Ge-Shig School, by making the applicable employee and employer contributions required given his salary.
- The eligible individual can receive past service credit for service already provided at the school by making contributions based on his salary and the applicable employee and employer contribution rates, plus 8.5 percent interest.
- MSRS-General coverage is not authorized if Mr. Aitken has any form of defined benefit plan coverage for his school employment.

Policy Issues Raised by the Proposed Legislation

1. Request for reconsideration.
2. Equitable issues/sufficient justification.
3. Precedent.
4. Need for consideration.
5. Self-help remedy.
6. Nature of the current employment and pension coverage.
7. Adverse financial impact on MSRS.
8. Alternative treatment, consideration as a full actuarial value service credit purchase.

Potential Amendments

S0375-A1 is a technical amendment eliminating redundant wording and correcting a heading.

S0375-A2 is a delete-all amendment which transforms the bill into a full actuarial value service credit purchase.

S0375-A3 is an alternative to S0375-A1 or S0375-A2, which deletes from the bill the authority to purchase past service provided to the Bug-O-Na-Ge-Shig School.

