

**S.F. 1676**

(Nienow)

H.F. 1928

(Nelson, P.)

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): MSRS-Correctional

Relevant Provisions of Law:

General Nature of Proposal: Transfer of Past Service Credit to MSRS-Correctional; MCF-Rush City Psychologist 2, Correctional Discipline Unit Supervisor, Dental Hygienist

Date of Summary: January 23, 2006

Specific Proposed Changes

- Allows individuals at the Minnesota Correctional Facility at Rush City in the psychologist 2, correctional discipline unit supervisor, and dental hygienist positions to transfer similar past service to the MSRS-Correctional Plan for the period prior to the inclusion of the position in the MSRS-Correctional Plan on August 1, 2004.

Policy Issues Raised by the Proposed Legislation

1. Need for change.
2. Lack of Commission review of the initial transfer of prospective service.
3. Consistency with recent prior policy.
4. Implication of continuing recent policy given MSRS-Correctional plan condition.
5. Cost.
6. Possible other positions warranting correctional plan coverage.

Potential Amendments

LCPR-S1676-A1 can be used if the Commission chooses to depart from the past policy of charging six percent interest on the employee contribution to receive the past service credit (the differential between the employee contribution in the General and Correctional plans during the applicable period).

LCPR-S1676-A2 is an effort to avoid harming the funding condition of MSRS-Correctional due to these transfers.

LCPR-S1676-A3, an alternative to LCPR-S1676-A2, sets the employer contribution proposed by the amendment at a level that would fund the new liabilities created by the transfer at the same level as the existing funding level.

LCPR-S1676-A4 removes the corrections discipline unit supervisor and the dental hygienist positions from the bill.

