



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Ed Burek, Deputy Director *EB*

RE: Proposed Public Employees Retirement Association (PERA) Amendments to Minnesota State Retirement System (MSRS) Administrative Bill, H.F. 1139 (Murphy, M., by request); S.F. 629 (Betzold): MSRS Administrative Provisions

DATE: March 1, 2007

The Public Employees Retirement Association (PERA) Executive Director, Mary Most Vanek, has requested that the Commission consider an amendment to provide PERA plans with a leave of absence treatment provision comparable to that proposed for Minnesota State Retirement System (MSRS) plans in the MSRS administrative bill, H.F. 1139 (Murphy, M., by request); S.F. 629 (Betzold), Section 5, on page 9, lines 11 to 32.

Amendment H1139-16A revises H.F. 1139; S.F. 629 by creating a provision in PERA statutes comparable to the proposed MSRS leave of absence treatment found in Section 5 on page 9, lines 11 to 32. The treatment would apply to the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General), the Public Employees Police and Fire Plan (PERA-P&F), and the Local Government Correctional Service Retirement Plan (PERA-Correctional) for employees who go on unpaid personal, parental, or medical leaves. Under the proposed treatment, individuals would pay contributions plus interest if payment is received within one year of the leave, or full actuarial value if payment is received after one year.

If the Commission chooses to add a five-year time limit on payments under the proposed MSRS provision, the Commission may wish to consider a comparable five-year limit on the similar proposed PERA leave treatment. Amendment H1139-17A places a five-year time limit on the PERA leaves.

