



H.F. 2078
(Murphy, M.)

S.F. 1457
(Frederickson)

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): MSRS-General
Relevant Provisions of Law: Proposed special law
General Nature of Proposal: Coverage for Middle Management Association employee
Date of Summary: March 27, 2007

Specific Proposed Changes

- Permit Middle Management Association labor union employee hired after January 1, 2007, to be covered by MSRS-General, although the individual is not a public employee.

Policy Issues Raised by the Proposed Legislation

1. Presumed drafting problem: bill presumably Intended to apply to one employee, but as drafted applies to any Middle Management Association labor union employee hired after January 1, 2007.
2. Justification for providing this coverage after the individual accepted employment without that coverage.
3. Possible harm by employer if employer promised pension coverage that was not authorized by law at the time of hiring.
4. Possible double pension coverage.
5. Whether to cover service prior to bill effective date.
6. Plan qualification issue due to covering non-public employee.

Potential Amendments

H2078-1A adds a birth date (to be inserted) to better specify individual.

H2078-2A allows full actuarial value service credit purchase back to Middle Management Association labor union start date.

H2078-3A, an alternative to H2078-2A, allows the service credit purchase with the payment of contributions plus interest.

