



**H.F. 2279**  
(Doty)

**S.F. 2027**  
(Koering)

**Executive Summary of Commission Staff Materials**

*Affected Pension Plan(s):* MSRS-General, MSRS-Correctional  
*Relevant Provisions of Law:* Proposed Special Law  
*General Nature of Proposal:* Transfer MCF-St. Cloud Stores Clerk service to MSRS-Correctional  
*Date of Summary:* March 27, 2007

**Specific Proposed Changes**

- Allow prior MCF-St. Cloud Stores Clerk service to transfer from MSRS-General to MSRS-Correctional despite the position not identified as eligible for Correctional coverage, if the Department of Corrections determines the position should have been in MSRS-Correctional.

**Policy Issues Raised by the Proposed Legislation**

1. Whether this position met the criteria (at a minimum, 75 percent inmate contact) used for inclusion of position in MSRS-Correctional, and if so, why it has not previously been identified as a qualifying position despite a thorough review of positions in 1996.
2. Whether the Legislature, rather than the Department of Corrections, should make this coverage determination.
3. Whether the Department of Corrections supports the bill.
4. Lack of any stated criteria to be used to determine whether coverage should be transferred.
5. Delay in seeking remedy.
6. Proposal rejected by MSRS Board, may have been appealed to Court of Appeals.
7. Impact on similar positions, or others with same employment title.
8. Payment terms appear to be inadequate; provides windfall to individual, adds unfunded liability to MSRS-Correctional.
9. Payment terms inconsistent with other bills transferring positions to MSRS-Correctional.

**Potential Amendments**

H2279-1A may be needed to clarify the ending date of the Stores Clerk service.

H2279-2A specifies that, at a minimum, the position must have met the 75 percent inmate contact requirement to be eligible for transfer.

H2279-3A revises payment terms by adding interest to employee contribution, requiring employer contribution with interest, and requiring the Department of Corrections to pay for the cost of any required actuarial calculations.

H2279-4A revises payment terms by requiring a full actuarial value payment, as follows:  
1. Individual pays the MSRS-General/Correctional contribution differential plus interest.  
2. Assets are transferred from MSRS-General to MSRS-Correctional equal to the funded portion of benefits accrued for the Stores Clerk service in the MSRS-General Plan  
3. If the sum of the employee contribution amount and the asset transfer is less than the value of the service credit in MSRS-Correctional, the employer is to pay the difference.

H2279-5A The Legislature, rather than Department of Corrections, would decide whether the service should transfer.

