



H.F. 3799
(Murphy, M., by req.)

S.F. 2998
(Betzold)

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): MSRS, PERA, MERF
Relevant Provisions of Law: Minnesota Statutes, Chapter 356
General Nature of Proposal: Voluntary Membership Dues Deduction
Date of Summary: March 20, 2008

Specific Proposed Changes

- Permits annuitants from a Minnesota State Retirement System (MSRS) plan, a Public Employees Retirement Association (PERA) plan, or the Minneapolis Employees Retirement Fund (MERF) to have the applicable pension plan administration deduct and transmit dues to any organization or voluntary association of public employees or retired public employees of which the annuitant is a member. The pension plan administration is not liable for any error in deducting or transmitting these dues.

Policy Issues Raised by the Proposed Legislation

1. Need for legislation.
2. Vague definition of eligible benefit group.
3. Vague definition of recipient groups.
4. Expanding size and funding of recipient groups.
5. Possible problem due to small size of deduction.
6. Appropriate activity for pension plan.
7. Cost.
8. Scope.
9. Requests for similar treatment for other organizations and purposes.
10. Additional drafting issue, topic headings in Chapter 356.

Potential Amendments

- H3799-1A is a technical amendment adding a headnote, adding an effective date, and specifying that eligible annuitants are retirees, survivors, or disabilitants.
- H3799-2A clarifies the organizations eligible to receive these dues by specifying that the organization must be a labor union that is an exclusive bargaining agent representing Minnesota public employees or an organization representing retired Minnesota public employees. The Commission may choose to consider whether this amendment is sufficiently restrictive, particularly for retiree organizations.
- H3799-3A limits the number of times per year the dues are to be withheld, and the minimum dollar amounts. The amendment includes blanks to be filled in by the Commission or Legislature. The Commission may wish to consider withholding these amounts once per year, or quarterly, and the Commission could also set a minimum dollar amount.
- H3799-4A revises the fund systems included in this withholding to include all Minnesota public pension funds, other than volunteer fire plans, rather than just the MSRS, PERA, and MERF systems.
- H3799-5A is an alternative to Amendment H3799-4A and can be used to specify specific plans or systems by filling in the blank in the amendment.

