



Legislative Commission on Pensions and Retirement

An Overview

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Legislative Commission on Pensions & Retirement

- **Commission consists of 14 legislators:**
 - 7 Representatives (5 from majority, 2 from minority)
 - 7 Senators (5 from majority, 2 from minority)
- **Executive Committee**
 - Chair
 - Vice-Chair
 - Secretary
- **Established to have bi-partisan, bi-cameral review of pension and retirement issues, including legislation dealing with the State's public pension plans**

Legislative Commission on Pensions & Retirement

- **Staff: full-time non-partisan**
 - executive director
 - deputy director
 - commission assistant
- **Commission Actuary: Deloitte Consulting**
- **Commission office: 55 State Office Building**
- **Commission website: www.lcpr.leg.mn**
- **Staff works with the Commission on meeting preparation, drafts legislation and background/policy/legal analysis of bills and topics**

Commission Agenda

- **The Commission will meet weekly each Tuesday evening to consider proposed legislation**
- **Goal will be to consider similar bills as a group each week**
- **Types of bills:**
 - Legislators' proposals for benefit or other changes
 - Pension plan administrative or technical changes
 - Pension plan funding proposals
 - Changes to statutes for volunteer firefighter relief associations (VFRAs)
 - Small group or individual bills (“special legislation”)
- **By motion: actuarial assumption changes, except investment return**

Minnesota's Public Pension Plans

- **Minnesota State Retirement System (MSRS)**
 - Covers state employees
 - Administers 5 pension plans
- **Public Employees Retirement Association (PERA)**
 - Covers local government employees
 - Administers 4 pension plans
- **Teachers Retirement Association (TRA)**
 - Covers all teachers except St. Paul school district teachers
- **St. Paul Teachers Retirement Association (SPTRFA)**
- **Volunteer Firefighter Relief Associations (VFRAs)**
 - Over 700 locally run relief associations

Minnesota's Public Defined Contribution Plans

- **MSRS Unclassified Plan**
- **Public Employees Defined Contribution Plan**
- **Minnesota Deferred Compensation Plan**

Governance

- **Each system has a governing board and executive director**
 - Board members and executive director are fiduciaries
- **Each system has its own actuary**
 - Performs an annual actuarial valuation
- **Each plan is governed by statutes**
 - The statutes ARE the official plan documents
- **Assets are invested by the State Board of Investment (SBI)**
 - SBI members and executive director are fiduciaries

Sources of Pension Plan Funding

- **Employees and employers are statutorily required to contribute a specified percentage of pay to the respective pension plan**
 - Employee contributions are deducted from paychecks immediately upon start of employment
- **Supplemental employer contributions: TRA and SPTRFA**
- **Additional contributions from the State to fund liabilities assumed when smaller plans merged into the big plans**
 - PERA from absorbing the Minneapolis Employees Retirement Fund
 - TRA from absorbing the Duluth and Minneapolis Teachers Retirement Fund Associations

Stakeholders

- **Employers (state agencies, cities, counties, school districts)**
- **Employees**
- **Former employees**
- **Retirees**
- **Unions**
- **Taxpayers**

LCPR Website - Homepage (www.lcpr.leg.mn)



The screenshot shows the homepage of the Legislative Commission on Pensions and Retirement (LCPR). At the top, there is a navigation bar with links for MN Legislature, Get Connected, About the Legislature, and Mobile Site. A search bar is located on the right. Below this is a secondary navigation bar with links for House, Senate, Joint, Schedules, Legislators, Committees, Bills, Law, Multimedia, and Publications. The main header features a large image of the Minnesota State Capitol building with the text "Legislative Commission on Pensions and Retirement" overlaid. Below the header is a menu with links for LCPR Home, Meetings, Pension Legislation, MN Pension Plan Information, and Information & Documents. The main content area is titled "Legislative Commission on Pensions and Retirement" and contains two paragraphs of text. The first paragraph describes the commission's role in considering pension and retirement-related legislation. The second paragraph explains the process of drafting legislation and the commission's recommendation. To the right of the text is a "Combined Meetings" calendar for January 2017, with the 30th highlighted. At the bottom of the content area, there is a "more" link with arrows pointing down.

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Legislative Commission on Pensions and Retirement

LCPR Home Meetings Pension Legislation MN Pension Plan Information Information & Documents

Legislative Commission on Pensions and Retirement

The Legislative Commission on Pensions and Retirement (sometimes referred to as the "Pension Commission") is a bi-partisan joint commission that considers pension and retirement-related legislation. A significant portion of this legislation addresses pension and retirement benefits for public employees across the State of Minnesota. Because the terms and conditions for benefits under public pension plans are set forth in statute, legislation is required to make changes to these benefits, adopt contribution increases, or enact measures to maintain the financial soundness of the plans. The Pension Commission also investigates retirement topics not necessarily tied to proposed legislation, including pension system reforms, alternatives to defined benefit plans, and trends in the private sector for providing retirement benefits.

At the request of a legislator, the Pension Commission's staff will draft legislation, prepare background information, and provide policy and legal analyses of proposed legislation. When considering a bill, the Pension Commission takes testimony, engages in deliberations, and sends along its recommendation for [action by the committee\(s\) of record](#). Bills are heard by the Commission in advance of consideration by the House or Senate committee.

Combined Meetings

January 2017						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

↓ more ↓

LCPR Website – Homepage (cont'd.)

↑ more ↑

Operation and Composition of the Commission

The Pension Commission was established as a permanent commission in 1967 under Minnesota Statutes, [Section 3.85](#). Today, it consists of [seven members of the House](#) and [seven members of the Senate](#), all of whom are appointed or re-appointed at the commencement of each biennium. A chair, vice-chair, and secretary are elected by the Commission members at the commencement of each biennium. The officer positions alternate between House and Senate members each biennium. The Commission typically meets weekly during the legislative session and may meet during the interim between sessions. Meeting agendas are determined by the chair.

Functions of the Commission

The Pension Commission:

- Considers [proposed legislation](#) and recommends whether the legislation, along with any approved amendments, should proceed to the next step in the legislative process;
- Provides legislative oversight of the approximately 700 pension and defined contribution plans covering public employees of the state, counties, cities and other governmental subdivisions, including volunteer firefighter relief associations;
- Reviews the annual [actuarial valuations](#) and periodic [experience studies](#) of the statewide and major local public pension plans;
- Assesses the sufficiency of current public pension plan funding and makes recommendations regarding adjustments to assumptions, contributions, funding, or benefits; and
- Studies and takes testimony on a wide range of pension and retirement-related topics, including developments nationally and under federal law that may impact public and private sector employees and retirees in the state.

↓ more ↓

Upcoming Meetings

- [Jan. 31, 2017, 5:30 p.m.](#)
- [Previous Meetings](#)

Employment

- [Employment opportunities](#)

Quick Links

- [NEW Combined Service Annuity Study Report](#)
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