



TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Rachel Thurlow, Interim Director *RT*
RE: Differences Between the House and Senate 2015 Omnibus Retirement Bills
DATE: May 15, 2015

Introduction

On May 11, 2015, the Senate passed S.F. 1398 (Pappas), the 2015 Omnibus Retirement Bill and sent that bill to the House. On May 14, 2015, the House State Government Finance Committee substituted the language of H.F. 1508 (O'Driscoll), the first engrossment, into S.F. 1398 and further amended the bill. This memo compares the differences between the House and Senate bills.

Differences Between the House and Senate Omnibus Retirement Bills

House: S.F. 1398, 1st Unofficial Engrossment (UES1398-1)

Senate: S.F. 1398, 2nd Engrossment (S1398-1)

Difference #1: MERF Additional Employer Contribution

Senate: The Senate version of the 2015 Omnibus Retirement Bill contains a \$3.9 million additional employer contribution that the various MERF employing units must pay until all active former MERF members retire.

House: The House version of the 2015 Omnibus Retirement Bill eliminates the \$3.9 million additional employer contribution.

Difference #2: MERF Local Employer Supplemental Contribution

Senate: The Senate version sets the local employer supplemental contribution at \$21 million annually.

House: The House version sets the local employer supplemental contribution at \$31 million annually.

Difference #3: MERF State Contribution

Senate: The Senate version sets the state contribution at \$16 million annually.

House: The House version sets the state contribution at \$6 million annually.

Difference #4: Continuation of Minneapolis Municipal Retirement Association (MMRA) Dues

Senate: The Senate version, in Article 14, Section 15 (*lines 203.11-17*), amends Minnesota Statutes, 353.50, Subdivision 8, continuing to specify that former Minneapolis Employees Retirement Fund (MERF) members can choose to have MMRA dues deducted from the individual's retirement benefit.

House: The House version, in Article 14, Section 30 (*lines 215.8-10*), repeals Minnesota Statutes, 353.50, Subdivision 8, now that the former MERF Division is fully consolidated into PERA-General and all former MERF members would continue to be allowed to pay MMRA dues under Minnesota Statutes, Section 356.91.

Applicable Side-by-Side Pages

The pages from the Revisor's side-by-side comparison containing the differences are attached.