



MINNESOTA SCHOOL EMPLOYEES ASSOCIATION

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October 21, 2013

Senator Sandra Pappas
Chair, Legislative Commission on Pensions & Retirement
120 Capitol
St. Paul, MN

RE: PERA membership eligibility threshold – proposed change

Dear Senator Pappas:

Enclosed please find a resolution adopted by the Board of Directors for the Minnesota School Employees Association on the topic of the proposed change to the PERA membership eligibility threshold. The resolution was adopted unanimously by the Board at its meeting on September 28, 2013.

I plan to attend the LCPR meeting on October 23, 2013 to present the resolution, testify as to its context and rationale, and answer any questions that the Commission members might have. I am providing the resolution in advance of the meeting so staff has time to include it in your packets.

Thanks for your work. I look forward to the meeting on the 23rd.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Christina L. Clark'.

Christina L. Clark
Executive Director

c: Mary Most Vanek, Executive Director, PERA
Carol Nieters, Executive Director, SEIU Local 284
Jan Alswager, Chief Lobbyist, Education Minnesota
Julie Bleyhl, Legislative Director, AFSCME Co. 5
Steve Preble, Executive Director, AFSCME Co. 65

Resolution regarding a change/increase in PERA's eligibility threshold:

WHEREAS the Public Employees Retirement Association (PERA) completed a study of membership eligibility as directed by the 2012 Legislature that identified options for membership eligibility and their actuarial and financial impacts.

WHEREAS the Legislative Commission on Pensions and Retirement's "Principles of Pension Policy" support pension eligibility for public employees employed on a recurring or regular basis.

WHEREAS PERA membership eligibility is a monthly earnings threshold of \$425, remaining unchanged since 1988.

WHEREAS the study's conclusion supported PERA's goals that membership eligibility include rules that will self maintain, keep the current membership base at or close to its current level, provide increased flexibility for employers, and ensure ease and understanding.

THEREFORE BE IT RESOLVED that the MSEA Board would not oppose legislative changes to PERA's membership eligibility criteria as follows:

- 1) Immediate membership for employees hired to full-time continuous employment in excess of 6 consecutive calendar months;
- 2) Immediate membership for employees hired to a position or positions that are less than full-time that are expected to be longer than 6 consecutive calendar months and are expected to provide annual compensation in excess of \$6000 for 12-month employees and \$4300 for school-year employees; and
- 3) For other employees whose employment in one or more positions continues for at least 6 months, membership after 6 months and on the first pay period following the pay period in which the employee earns in excess of \$6300/\$4300 from all positions combined.

Adopted unanimously by the Minnesota School Employees Association Board of Directors, September 28, 2013