



TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Lawrence A. Martin, Executive Director *JAM*
RE: Summary of the 2014 Omnibus Retirement Bill Through March 4, 2014
DATE: March 5, 2014

Introduction

The Legislative Commission on Pensions and Retirement has decided to amalgamate some or all of its public pension legislation recommendations into an omnibus retirement bill.

This memorandum summarizes the contents of 2014 Omnibus Retirement Bill as assembled by the Pension Commission through March 4, 2014.

Source Legislation for the 2014 Omnibus Retirement Bill through March 4, 2014

Delete-everything amendment (LCPR14-05A), drawn as a blind amendment to a vehicle bill yet to be determined, includes all or portions of the contents of the following retirement bills:

1. SF 713 (Pappas); HF 872 (Kahn): MnSCU; Eliminate early retirement incentive sunset date. (*Art. 3*)
2. SF 764 (Pappas); HF 871 (Kahn): MnSCU; Eliminate sunset date on eligibility to elect TRA coverage. (*Art. 3*)
3. SF 765 (Pappas); HF 870 (Kahn): MnSCU; Increase maximum salary for the annuitant return-to-work provision. (*Art. 3*)
4. SF 1326 (Goodwin); HF 1410 (Nelson): MSRS; Deferred members permitted to vote in board elections. (*Art. 1*)
5. SF 1943 (Pederson); HF 1873 (O'Driscoll): PERA-General; Coverage exclusion for St. Cloud Metropolitan Transit Commission employees. (*Art. 2*)
6. SF 2148 (Westrom); HF 1894 (McNamar): PERA-General; Coverage for Stevens County Housing and Redevelopment Authority employees. (*Art. 2*)

General Summary of the 2014 Omnibus Retirement Bill, Delete-All Amendment LCPR14-05A

Article 1: Governing Board Provisions. (*Derived from SF1326/HF1410*)

- Modifies the Minnesota State Retirement System (MSRS) board membership provision to permit deferred retirees to vote in board member elections, generally for an active member board position or positions.

Article 2: PERA-General Membership Provisions. (*Derived from SF1943/HF 1873; SF2148/HF 1894*)

- Grandparents into PERA-General coverage the employees of the Housing and Redevelopment Authority of Stevens County who were employed before May 1, 2014, and validates past PERA-General retirement coverage for and retirement fund contributions by or on behalf of current Stevens County HRA employees.
- Ratifies in statute the current pension coverage situation of bus drivers employed by the St. Cloud Metropolitan Transit Commission, with the fixed-route bus drivers employed by the St. Cloud MTC covered by the Teamsters Central States Pension Plan and Fund and excluded from retirement coverage by the PERA General Employees Retirement Plan (PERA-General).

Article 3: MnSCU-Related Provisions. (*Derived from SF713/HF872; SF764/HF871; SF765/HF870*)

- Extends to June 30, 2019, the authority for MnSCU permanent, thus continuing to allow MnSCU college or university presidents or the Chancellor, with respect to the Chancellor's office, to offer to system employees who are at least age 55, who have been employed by MnSCU for at least five years, and who comply with other eligibility requirements formulated by the MnSCU board of trustees, one

or a combination of a cash payment, not to exceed one year of base salary, and employer contributions to the post-retirement Health Care Savings Plan, without any specific limit.

- Allows faculty members hired by MnSCU after June 30, 2014, to have an opportunity to elect between the higher education Individual Retirement Account Plan (IRAP) coverage, a defined contribution retirement plan, and the Teachers Retirement Plan (TRA), a defined benefit retirement plan, upon achieving tenure.
- Increases the amount that a MnSCU retiree from MSRS-General, TRA, or a first class city teacher retirement fund association, upon reemployment part-time by MnSCU, can earn without triggering the usual reemployed annuitant earnings limitations from \$46,000 annually to \$62,000.

Section-by-Section Summary of the 2014 Omnibus Retirement Bill

A section-by-section summary of the 2014 Omnibus Retirement Bill (LCPR14-05A) is attached.

cc: Jim Gelbmann, House Gov Ops Committee
Mark Shepard, House Research
Helen Roberts, House Fiscal Analyst
Molly Richardson, House Majority Research
Joe Marble, House Minority Research
Don Crosby, Chief Clerk's Office
Sheree Speer, Assistant Revisor

Kara Josephson, Senate Gov Ops Committee
Stephanie James, Senate Counsel and Research
Kevin Lundeen, Senate Fiscal Analyst
Ryan Majerus, Senate Majority Research
Craig Sondag, Senate Minority Research
Scott Magnuson, Senate Information
Ric Almer, Senate Index

Section-by-Section Summary of the 2014 Omnibus Retirement Bill, Delete-All Amendment LCPR14-05A

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
Article 1: Retirement Governing Board Provisions					
1	1.6	SF 1326 (Goodwin); HF 1410 (Nelson)	352.03, Subd. 1	MSRS	Permits deferred members to vote in active member board of directors seats.
2	2.7	SF 1326 (Goodwin); HF 1410 (Nelson)	352.03, Subd. 1a	MSRS	Divides existing subdivision into two subdivisions, adding a provision that specifies the limitations on membership voting for membership-elected board of directors seat.
Article 2: PERA-General Membership Provisions					
1	2.28	SF 2148 (Westrom); HF 1894 (McNamar)	353.01, Subd. 2a	PERA-General	Includes employees of the Stevens County Housing and Redevelopment Authority employees hired before 5/1/2014 in PERA-General coverage.
2	4.8	SF 1943 (Pederson); HF 1873 (O'Driscoll)	353.01, Subd. 2b	PERA-General	Corrects a union local member number related to a carpenter exclusion and adds an exclusion for full-time fixed route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are covered by the Teamsters Central States Pension Plan.
3	7.21	Amendment to SF 1943 (Pederson); HF 1873 (O'Driscoll)	356.24, Subd. 1	Supplemental Plan Restrictions	Adds the Teamsters Central States Pension Plan as an eligible plan for employer contributions by the St. Cloud Metropolitan Transit Commission.
4	9.28	SF 2148 (Westrom); HF 1894 (McNamar)	Uncoded	PERA-General	Validates and ratifies past Stevens County Housing and Redevelopment Authority contributions, service credit, and coverage for pre-5/1/2014 employees.
Article 3: MnSCU-Related Provisions					
1	10.15	SF 713 (Pappas); HF 872 (Kahn)	136F.481	MnSCU	Extends the early retirement incentive payment authority to 6/30/2019, and requires the MnSCU board to periodically revise the program eligibility requirements.
2	11.31	SF 765 (Pappas); HF 870 (Kahn)	352.1155; Subd. 1	MSRS-General	Exempts from reemployed annuitant earnings limit MnSCU reemployed retirees with annual salary limit increased from \$46,000 to \$62,000.
3	12.14	SF 765 (Pappas); HF 870 (Kahn)	352.1155; Subd. 4	MSRS-General	Exempts from reemployed annuitant earnings limit MnSCU reemployed retirees with annual salary limit increased from \$46,000 to \$62,000.
4	12.20	SF 765 (Pappas); HF 870 (Kahn)	354.445	TRA	Exempts from reemployed annuitant earnings limit MnSCU reemployed retirees with annual salary limit increased from \$46,000 to \$62,000.
5	13.25	SF 765 (Pappas); HF 870 (Kahn)	354A.31; Subd. 3a	First class city teachers	Exempts from reemployed annuitant earnings limit MnSCU reemployed retirees with annual salary limit increased from \$46,000 to \$62,000.
6	14.16	SF 764 (Pappas); HF 871 (Kahn)	354B.21; Subd. 2	TRA	Extends second chance coverage election upon reaching tenure to post-6/30/2014 hires.
7	15.22	SF 713 (Pappas); HF 872 (Kahn)	Laws 2009, Ch. 69, Art. 6, Sec. 1	MnSCU	Eliminates sunset date from the effective date of the early retirement incentive program authority.