



October 14, 2009
Room 107 Capitol

5th Interim Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Senator Don Betzold, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 11:10 a.m.

Commission Members Present:

Representatives Phyllis Kahn, Michael V. Nelson, Steve Smith, and Paul Thissen
Senators Don Betzold, Sandra L. Pappas, and Julie A. Rosen

Commission Members Absent:

Representative Mary Murphy, Senators Ann Lynch and Mary A. Olson

Agenda Items

Approval of prior Commission meeting minutes.

Rep. Nelson moved approval of the September 8, 2009, meeting minutes. **MOTION PREVAILED.**

S.F. 1417 (Pogemiller); H.F. 1327 (Murphy, M.): Various plans; Modification of an early retirement incentive.

Sen. Lawrence J. Pogemiller presented and testified in support of his bill.

Sen. Pappas distributed two handouts and moved amendment S1417-50A. **MOTION PREVAILED.**

Mr. Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill and amendment S1417-50A.

Mr. David Bergstrom, Executive Director, MSRS, testified that MSRS does not have a position on the proposal and is not concerned about a possible negative impact to the plan due to limited usage. Mr. Bergstrom suggested that in amendment S1417-5A, the purchase is from the Unclassified Program and that it may make more sense for the purchase to be from the plan where the member resides.

Mr. Lee Nelson, Minnesota Department of Employment and Economic Development, testified that there sometimes are state-provided unemployment extensions, and he recommended clarifying the unemployment insurance language on the draft engrossment S1417-50A, page 2, line 10, to read "not to exceed the maximum amount of regular state-provided".

Mr. Morgan Fleming, Middle Management Association, testified in support of the bill, in support of the amendment suggested by Mr. Nelson, and testified that he has no position on the MSRS suggestion.

Sen. Rosen moved to amend S.F. 1417/H.F. 1327, in the form of draft engrossment S1417-50A, as follows: page 2, line 10, before "amount" insert "maximum" and after "of" insert "regular". **MOTION PREVAILED.**

Sen. Rosen moved to amend S.F. 1417/H.F. 1327, in the form of draft engrossment S1417-50A, as follows: page 3, lines 9 to 15, reinstate the stricken language and delete the new language. **MOTION PREVAILED.**

Sen. Pappas moved S.F. 1417/H.F. 1327, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Report on the retention of a Commission auditing/reviewing actuary.

Mr. Martin informed members that after meeting with Sen. Betzold and Rep. Smith regarding the details of a proposed contract, Mr. Martin contacted Milliman Inc. regarding a potential schedule for the

replication of actuarial work. Milliman responded with an alternative proposal but the replication of two of the plans was omitted. Mr. Martin indicated that he contacted Milliman for clarification but has not yet received a response.

Sen. Betzold indicated that the contract could be brought before the full Commission or the Executive Committee, and that November is the target for finalizing the contract.

S.F. xxx; H.F. 814 (Urdahl); and S.F. 45 (Betzold); H.F. 474 (Thissen): PERA, TRA; Bounce-back annuity following certain marriage dissolutions.

Mr. Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bills.

Ms. Mary Vanek, Executive Director, PERA, testified in support of the bill.

Mr. Luther Thompson, Assistant Executive Director, TRA, testified in support of the bill and in support of amendments H0814-4A, -5A and -7A.

Mr. David Bergstrom, Executive Director, MSRS, testified in support of including MSRS in the proposal.

Rep. Nelson moved amendment H0814-4A. **MOTION PREVAILED.**

Sen. Rosen moved amendment H0814-7A. **MOTION PREVAILED.**

Rep. Nelson moved amendment H0814-8A, giving staff license to list the appropriate plans for MSRS. **MOTION PREVAILED.**

Rep. Smith moved H.F. 814, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 1601 (Olson, M.); H.F. 1793 (Nelson): TRA; Addition of retiree board of trustees member.

This item was not heard due to Senator Olson's absence.

Designated Commission interim topic: Local retirement plan consolidation assistance fund creation; third consideration.

Mr. Martin reviewed the third consideration staff memo reviewing the experiences of other states in establishing relief funds for consolidating retirement plans and in dealing with financially distressed pension systems.

Adjournment

The meeting adjourned at 1:10 p.m.