

LEGISLATIVE COMMITTEE REPORT SUMMER 2011

LEGISLATION

As you are certainly aware the Governor and the Legislature reached a settlement following a three week state government shut down. As we reported in the spring 2011 Newsletter, several bills were introduced affecting retired, active and future employees' health care and retirement benefits. None of these bills passed the Legislature or were signed into law by the Governor.

H.F. #1144, dealing with the reinstatement of a single person and spouse into the state's retiree health insurance plan (State Employee Group Insurance Program) was introduced. Yes, legislation has passed for individuals and small groups of individuals. A second piece of legislation H.F.#14, was passed in the 2011 First Special Session. H.F #14 is generally considered a "housekeeping" bill making corrections and needed modifications to nearly all of the state pension plans. It does, however, include the voluntary consolidation of the Minneapolis Firefighters' Relief Association, and the Minneapolis Police Relief Association with the state firefighters and police pension funds.

Hopefully the changes made with the 2010 Omnibus Pension Bill passed by the legislature and signed by the Governor May 15, 2010 answered the funding issues of MSRS, PERA, and TRA. As MRSEA has often said in the past, the Omnibus Pension Bill was truly a sharing of responsibilities by all affected parties- public employers, retirees, active employees and deferred members.

JOINT STUDY

The Joint Study of the Executive Directors of MSRS, PERA, and TRA was issued on June 1, 2011. A copy of the report is available at the following websites:

www.mrsea.org go to Legislative Updates Page

www.lpcr.leg.mn click on Documents and Publications then click on Other Sources

LAW SUIT AGAINST MSRS, PERA, TRA

On June 29, 2011, District Court Judge Gregg Johnson upheld the constitutionality of the 2010 Omnibus Pension Bill, which corrected the funding issues of the three major state pension plans. Judge Johnson found that the legislation was a "reasonable response to a fiscal threat that jeopardized the long-term interests of Plan Members, the State and the State's taxpayers."

The MRSEA Legislative Committee believes the decision balances the interest of all parties involved, not just retirees.

The Committee appreciates your support and asks you keep us informed on legislation, state or federal that has an impact on retired employees of the state of Minnesota.

MRSEA Legislative Committee Chair-Peter Obermeyer