

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON LABOR

April 12, 1993 Hearing Room D 8:30 a.m. Tapes 84 - 85

MEMBERS PRESENT: Rep. John Watt, Chair

Rep. Lee Beyer Rep. Michael Payne

Rep. Charles Starr

Rep. Bob Tiernan

STAFF PRESENT: Marilyn Johnston, Committee Administrator

Rick Gaupo, Committee Clerk

MEASURES CONSIDERED: HB 2117 - Public Hearing and Work Session HB 3130 - Public Hearing

[--- Unable To Translate Graphic ---]

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 84, SIDE A

021 Chair Watt calls the meeting to order at 9:00 a.m.

PUBLIC HEARING ON HB 2117

Administrator Johnston submits and summarizes Staff Measure Summary and impact statements - (Exhibit A)

Vicky Totten testifies in support of the bill

035 Marianne Kepler testifies in support of the bill

WORK SESSION ON HB 2117

044 Gary Carlson and David Heyndrickx give a section by section review of the bill 083 > Section 1 - benefits based on when you are hired > Section 2, (2) - defines who is a new employee. If you are vested, then you can leave and come back under the same contribution plan that you were vested under. An addition if you are employed currently and not vested, but are working towards vestment, then you are eligible for original coverage. Vestment occurs after working in 5 calendar years > Bob Andrews, PERS, clarifies that working one day qualifies for one calendar year > If an employee takes their money out of the system they lose eligibility to receive PERS benefits > (3) Judges are exempt from this bill

242 > Section 3 - Clarifies that benefits are determined by how much

the employer contributes, how much the employee contributes, and the interest gained from investments. This system transfer the risk over to the employee. Gary Carlson states that the employee has choices of where to invest their retirement. (2) - Cost of living increases will not be include into retirement payment. This is similar with the private sector.

TAPE 85, SIDE A

078 > Section 4 - Determines employees contribution of 6% and employer contribution of 6%. The original 14.5% contribution of is comprised of 8.5% from the employer and 6% from the employee. This is not a true 2% saving because the PERS system is going to pick up additional cost, including contribution to monthly medical insurance. Police, firemen and legislators receive better benefits
150 > Gary Carlson clarifies that police, firemen and legislators have traditionally received better benefits > Section 5 - calculates additional contributions beyond standard retirement benefits. This will be determined by collective bargaining or agency policy. 341 > Both new employees and old employees would most likely be both open too negotiations at the end of the contract 389 > Section 6 - describes what new employees do not get > Disability pension, including police and fire disability pension > Use of sick leave to add toward pension benefits

TAPE 84, SIDE B

> Gary Carlson explains that disability is generally an insurance matter and not a retirement matter 057 > Other significant issues - Early retirement options are changed under a defined contribution plan. If you retire early, you will get, as in all other cases, a sum calculated from what you put into the system

120 Questions from members > Vice-Chair Beyer asks how these new calculations compare to benefits under the old system. Gary Carlson states that no comparison has been made > Rep. Tiernan states that he supports this new system

Chair Watt gives a closing statements

184 Chair Watt recess at 10:12 a.m. and reconvenes at 10:25

PUBLIC HEARING ON 3130

250 Administrator Johnston submits and summarizes Staff Measure Summary and impact statements - (Exhibit B)

270 Rep. Manix and Bill Linden, State Court Administrator, testifies in support of the bill

TAPE 85, SIDE B

042 Chair Watt adjourns the meeting at 10:55 a.m.

Submitted by

Reviewed by

Rick Gaupo
Committee Administrator

Marilyn Johnston Committee Clerk

EXHIBIT LOG: A - HB 2117, Staff, Staff Measure Summary, 3 pages B - HB
3130, Staff, Staff Measure Summary, 4 pages