

HOUSE RESEARCH

Bill Summary

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Overview

Requires a 15 percent reduction in the executive branch workforce and associated costs by June 30, 2015. Authorizes an early retirement program to assist in meeting this requirement.

Section

1 Reduction in state work force; early retirement incentive.

Subdivision 1 requires a 15 percent reduction in the number of full-time equivalent employees in the state executive branch and in costs directly associated with these positions by June 30, 2015. Subdivision 1 also specifies tools that may be used to assist in complying with the 15 percent reduction. Provides that MnSCU is not included in the executive branch for purposes of this section.

The remainder of this section specifies an early retirement program. Elements of this program include:

- An employee with 8 years of service credit, who is at least 50 years old, and whose age and years of service add up to at least 70, who retires by a date specified by MMB, may retire and immediately receive an unreduced annuity.
- Employees whose age and years of service do not equal at least 70 may purchase up to five years of service credit by making a specified contribution to the pension fund. People who meet other conditions of this section but who are not yet 50 year old may terminate state service and receive an unreduced annuity upon turning age 50.
- Employees who retire under this program may not be employed by the state (or serve as a consultant for the state) for five years.

- The commissioner of MMB, after performing an actuarial analysis, may specify the maximum number of employees allowable under the program, and may also specify the maximum number of employees within each agency that may receive benefits under this section.
- The commissioner of MMB will require transfer from agency budgets to the appropriate pension fund a percentage of savings that agencies realize under this program, to compensate the pension fund for the cost of the program.
- A state appointing authority may not fill a position vacated under the early retirement program unless the existence of the specific position is mandated by law.

The bill requires MMB to establish a panel to study and make recommendations for reforming the state employee retirement pension program.

A state elected official is not a state employee for purposes of this section.