

Senate moves to fix Minnesota pension plans

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PUBLISHED: March 26, 2018 at 3:21 pm | UPDATED: March 26, 2018 at 7:31 pm

Many Minnesota government pension plans are paying out more than they are taking in.

State Sen. Julie Rosen, R-Vernon Center, says that is troubling. Her colleagues agreed Monday when they [unanimously approved her bill](#) that increases funding going into the pension plans and slightly cuts some benefits.

While senators are together on the issue, the pension bill has not received a House committee hearing. Gov. Mark Dayton wants to spend \$27 million to help shore up public pensions.

Rosen's bill has been in the works for three years as aging baby boomers are retiring, stressing pension plans. The House and Senate have approved many of the provisions, but Dayton vetoed bigger bills containing the pension language.

One issue that has created the problem, Rosen said, is that Minnesotans generally are living two years longer than had been predicted and, thus, drawing pension checks longer.



Overall, however, pensions and other retirement plans are dealing with an aging population that is retiring without as many new workers entering the job market. The impact differs from plan to plan.

Rosen said the bill would save state and local pension plans more than \$6 billion over 30 years.

Money is saved in several areas, including reducing cost of living raises in some circumstances. It also delays the increases until an early retiree reaches the normal retirement age of 66.

In some cases, cost of living adjustments will be tied to Social Security increases. For some plans, reductions will be by a specific amount, and later increased.

Also, people asking for refunds instead of receiving regular payments will receive lower interest payments and a cost-of-living increase for retirees known as “augmentation” would disappear.

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