

HCS HB 1628 -- STATE EMPLOYEES' RETIREMENT

SPONSOR: Smith (118)

COMMITTEE ACTION: Voted "do pass" by the Committee on Retirement by a vote of 5 to 4 with 1 present.

Effective July 1, 2007, this substitute requires the Executive Director of the Missouri State Employees' Retirement System (MOSERS) to take all actions necessary in accordance with Chapter 104, RSMo, to administer the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The board of trustees of the Highways and Transportation Employees' and the Highway Patrol Employees' Retirement System will no longer have any powers, duties, or obligation to administer the system and will be dissolved.

The substitute also allows any actively employed member of the system to purchase any prior creditable service as long as it is completed prior to retirement or termination of employment. If a member who purchased service dies prior to retirement, the surviving spouse can receive a refund of the amount contributed for the purchase if he or she is not eligible for survivor benefits.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill moves the administration of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) over to the Missouri State Employees' Retirement System (MOSERS). Both systems are for state employees and could be combined. MOSERS investments are consistently doing better than MPERS.

Testifying for the bill were Representative Smith (118); and International Union of Operating Engineers, Local #2.

OPPOSERS: Those who oppose the bill say that it is a forced consolidation. The MPERS investment program has been updated and is producing returns similar to MOSERS. The system has hired an investment officer and is improving the diversity of their investment portfolio. The retirement staff takes very good care of the retirees.

Testifying against the bill were Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS); Department of Transportation; Col. Roger Stottlemire; William Shaw; Bob Sfreddo, Jefferson City Area Missouri Department of Transportation Retirees; and Association of Retired Missouri State Employees.

Marc Webb, Legislative Analyst