

HCS SCS SB 563 -- PUBLIC EMPLOYEE RETIREMENT SYSTEMS

SPONSOR: Smith (Leara)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Retirement by a vote of 9 to 0.

This substitute changes the laws regarding public employee retirement systems.

POLICE RETIREMENT SYSTEM OF ST. LOUIS

The substitute:

(1) Eliminates the medical board of physicians that arranges for required disability-related medical examinations and replaces it with a medical director who must appoint doctors to investigate the physical and mental conditions of applicants for disability retirement. The medical director must report in writing to the board of trustees of the system on the doctor's conclusions and recommendations in connection with an application for disability retirement;

(2) Allows members who have completed at least 10 years of creditable service and who become permanently unable to perform the duties of a police officer as the result of an injury or illness not exclusively caused or induced by his or her official duties or by his or her negligence to retire upon certification of the medical director and approval by the board of trustees;

(3) Allows members who are permanently disabled exclusively as a result of an accident occurring within the actual performance of duty at some definite time and place to retire upon certification by the medical director and the approval of the board of trustees. These members must apply for disability within five years of the accident, unless the accident was reported within five years and the member was examined by a health care provider supplied by the board of police commissioners within 30 days of the accident;

(4) Requires a member who retires because of disability and is younger than 60 years of age to submit to a medical examination yearly for the first five years following his or her retirement and at least once every three years thereafter. If the retiree refuses to submit to a medical examination, his or her disability pension may be discontinued. If the retiree continues to refuse for one year, his or her pension may be revoked; and

(5) Specifies that if the medical director certifies to the board of trustees that a member who retires because of disability

is able to perform the duties of a police officer and the board agrees, the disability pension will end. If the officer returns to active service, the period of time during which the officer received a disability pension will not be included in his or her time of service.

PUBLIC SCHOOL RETIREMENT SYSTEMS

The substitute:

(1) Allows the boards of the Public School Retirement System of Missouri and the Public Employee Retirement System of Missouri to establish and maintain an investment fund account to combine moneys from both systems for investment purposes only. The funds of each system will be accounted for separately and for all other reporting purposes;

(2) Allows a member when purchasing prior service credit who has not paid the entire cost of the service by September 30 to have the purchase price recalculated as of October 1 of the same year instead of charging interest. Currently, if a member has not paid for the service by June 30, the purchase price will be recalculated as of July 1;

(3) Allows the retirement systems to prohibit or impose requirements for purchasing service if necessary to comply with federal law;

(4) Specifies that, upon the death of a member, benefits will be paid in the order of the surviving spouse, surviving children equally, surviving parents equally, or to the estate of the last person receiving benefits if a member chooses a guaranteed payment option and no designated beneficiary is living upon the death of the member;

(5) Prohibits the employees of any additional nonprofit educational association or organization from becoming a member of the retirement systems beginning July 1, 2010; and

(6) Allows the retirement systems, to the extent determined appropriate by the board of trustees, to indemnify and protect any trustee or employee of the systems against liability claims. No employee or trustee will be entitled to indemnification for his or her gross negligence or willful misconduct or unless written notice is given to the board within 15 days of receiving a service of process.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPONENTS: Supporters say that the bill will make the system more efficient when determining whether a member is eligible for disability benefits.

Testifying for the bill were Senator Smith; and Police Retirement System of St. Louis.

OPPONENTS: There was no opposition voiced to the committee.