

SECOND REGULAR SESSION

HOUSE BILL NO. 1473

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BRATTIN (Sponsor), PIKE AND KOENIG (Co-sponsors).

4947H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 104, RSMo, by adding thereto four new sections relating to retirement benefits for members of the general assembly.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 104, RSMo, is amended by adding thereto four new sections, to be known as sections 104.1098, 104.1101, 104.1104, and 104.1107, to read as follows:

104.1098. 1. Notwithstanding any provision of this chapter to the contrary, each person who becomes a member of the general assembly for the first time on or after January 1, 2015, shall be subject to the provisions of this section and sections 104.1101, 104.1104, and 104.1107.

2. The board of trustees of the system shall:

(1) Establish a defined contribution plan, intended to qualify as a profit sharing plan under Section 401(a) of the Internal Revenue Code of 1986, as amended, for members who otherwise would be covered by the system which, among other things, provides for an individual account for each participant and for benefits based solely on the amount allocated to the participant's account and for vesting after such member of the general assembly has served at least three full biennial assemblies as a member of the general assembly;

(2) Select third-party administrators to provide such services as the board determines to be necessary for the proper administration of the defined contribution plan;

(3) Hold all assets and income of the defined contribution plan in trust for the exclusive benefit of participants and their beneficiaries;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (4) Select the investments of such trust, and permit the participants in the defined
18 contribution plan to direct investment of their individual accounts among investment
19 options, if deemed appropriate by the board;

20 (5) Amend the plan from time to time as necessary or appropriate to comply with
21 Section 401(a) of the Internal Revenue Code of 1986, as amended, and the purposes of this
22 section; and

23 (6) Establish such rules and regulations as may be necessary to carry out the
24 purposes of this section under the authority granted by section 104.1063.

 104.1101. 1. Subject to the applicable limits of the Internal Revenue Code, the
2 annual contribution rate for each member participating in the defined contribution plans
3 shall be paid by the employer and shall be equal to the contribution rate determined by the
4 general assembly under the appropriation process but in no event shall the rate be less
5 than ten percent of the annual pay for each participating member. The term "pay" as used
6 in this section shall be defined in the plan document, in a manner substantially similar to
7 the definition of pay in section 104.1003.

8 2. Members participating in the defined contribution plans may contribute
9 additional moneys from his or her pay above the annual contribution rate subject to the
10 applicable limits of the Internal Revenue Code.

 104.1104. 1. The employer, as defined in section 104.1003, and any third-party
2 administrator shall provide such information to the systems as may be required to
3 implement the provisions of sections 104.1098 to 104.1107.

4 2. The board and employees of the system shall not be liable for the investment
5 decisions made or not made by participating members in the defined contribution plan
6 established under section 104.1098 as long as the board acts with the same skill, prudence,
7 and diligence in the selection and monitoring of providers of investment products,
8 education, advice, or any default investment option, under the circumstances then
9 prevailing that a prudent person acting in a similar capacity and familiar with those
10 matters would use in the conduct of a similar enterprise with similar aims.

11 3. The system shall be immune from suit and shall not be subject to any claim or
12 liability associated with the administration of the defined contribution plan established
13 under section 104.1098 by the board and employees of the system.

 104.1107. Members who are members of the closed plan or year 2000 plan as
2 defined under section 104.1003 may make a one-time irrevocable election to participate in
3 the defined contribution plan established under section 104.1098 under an election process
4 established by each system. Members who elect to participate in the defined contribution
5 plan shall not accrue any additional creditable or credited service in the closed plan or year

6 2000 plan after the date of such election but only with respect to services rendered by the
7 employee before the effective date of such election. Compensation paid to the employee
8 after the effective date of such election shall not be taken into account by the closed plan
9 or year 2000 plan.

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