

HB 1473 -- RETIREMENT BENEFITS FOR MEMBERS OF THE GENERAL ASSEMBLY

SPONSOR: Brattin

Currently, each person who becomes a member of the General Assembly is covered under a defined benefit plan for retirement benefits that is administered by the Missouri State Retirement System (MOSERS). This bill requires any person becoming a member of the General Assembly for the first time on or after January 1, 2015, to be covered under a defined contribution plan.

The Board of Trustees of MOSERS must:

- (1) Establish the defined contribution plan that is intended to qualify as a profit sharing plan under Section 401(a) of the Internal Revenue Code of 1986;
- (2) Provide an individual account for each participant in the plan;
- (3) Select third-party administrators to provide the necessary services to administer the plan;
- (4) Select appropriate investment options for members to direct investments into their individual accounts if deemed appropriate by the board;
- (5) Amend the plan from time to time as necessary to comply with Section 401(a) of the federal Internal Revenue Code (IRC) of 1986, as amended; and
- (6) Establish necessary rules and regulation to administer the plan.

A member will not be fully vested until he or she has served three biennial assemblies as a member of the General Assembly. The contribution rate will be determined by the General Assembly under the appropriation process, but in no event can the rate be less than 10% of the annual pay for each participating member. A member can contribute additional moneys above the annual contribution rate subject to IRC limits.

The board and employees of MOSERS cannot be liable for the investment decisions made or not made by participating members as long as the board acts with the same skill, prudence, and diligence as a prudent person would use in the conduct of a similar enterprise with similar aims.

A member of the Closed Plan or Year 2000 Plan can make a one-time

irrevocable election to participate in the defined contribution plan as established by each system. A member electing to participate cannot accrue any additional creditable or credited service in the Closed Plan or Year 2000 Plan after the date of the election but only with respect to services rendered by the employee before the effective date of the election. Compensation paid to the employee after the effective date of the election cannot be taken into account by the Closed Plan or Year 2000 Plan.