

HB 1682 -- STATE EMPLOYEE RETIREMENT SYSTEMS

SPONSOR: Koenig

This bill creates a hybrid retirement plan under the Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System for each person first becoming an employee, a member of the General Assembly, or a statewide elected official on or after January 1, 2015, including any member covered by Section 104.1091, RSMo, who terminated employment and is not entitled to receive a deferred annuity or has received a refund of member contributions and becomes an employee on or after January 1, 2015. In its main provisions, the bill:

(1) Lowers the multiplier factor for calculating retirement benefits under the defined benefit portion of the hybrid plan as follows:

(a) Reduces the state employee multiplier factor from 1.7% to 1% of the final average pay multiplied by the years of service;

(b) Reduces the General Assembly multiplier from one twenty-fourth of his or her highest monthly pay in office to one forty-eighth of his or her highest monthly pay in office multiplied by the years or service, not to exceed 50% of pay; and

(c) Reduces the statewide elected official multiplier from one twenty-fourth of his or her highest monthly pay in office to one forty-eighth of his or her highest monthly pay in office multiplied by the years or service, not to exceed 25% of pay;

(2) Changes the number of years required to be vested for retirement purposes from 10 years to five years for new state employees; and

(3) Requires all new members of the hybrid plan to participate in the defined contribution plan established under Section 105.927, with the employer contributing 3% and the participant contributing 1% of the participant's salary.