

HCS HB 1882 -- PUBLIC EMPLOYEE RETIREMENT PLANS

This bill changes the laws regarding the administrative requirements of public employee retirement plans. In its main provisions, the bill:

- (1) Allows the Joint Committee on Public Employee Retirement (JCPER) to request the staff or board members of any public employee retirement system not complying with the committee's request for information to testify before the committee regarding the non-compliance;
- (2) Modifies the notification requirement to the joint committee by all state and local public employee retirement systems of periodic cost-of-living increases to only require the notification for those systems providing new or additional payments beyond the prior year plan provisions;
- (3) Changes the due date of JCPER's annual report to the General Assembly from no later than January 15 of each year to no later than the date of its annual first quarterly meeting;
- (4) Modifies the definition of "substantial proposed change" to include the closing or freezing of a current defined benefit plan for the purposes of Sections 105.665, 105.670, 105.675, and 105.685, RSMo;
- (5) Requires each plan to forward the required actuarial valuation to the committee within 60 days after completion or adoption of the valuation;
- (6) Requires all public employee retirement plans, except for the Missouri Local Government Employees' Retirement System (LAGERS), to provide a projection of at least 10 years of the current plan provisions compared to the proposed change including the total annual contribution requirements in estimated dollars and as a percent of active employee payroll, the actuarial value of assets, the market value of assets, the actuarial accrued liability, and the funded ratio;
- (7) Requires the projection for LAGERS to include a prospective schedule of at least 10 years containing current and proposed provision estimated employer contributions as a percent of payroll and estimated annual dollars, the resulting difference, and the estimated difference between the actuarial accrued liability and actuarial value of assets for each scenario;
- (8) Requires a board member who has served one or more years to attend at least a total of six hours, instead of at least two

hours, of specified continuing education programs each year. Routine annual presentation by outside plan service providers cannot be used to satisfy educational requirements. A board member who is knowingly not participating in the required education programs may be removed from the board by a majority of the board members;

(9) Specifies that a plan cannot adopt or implement any additional benefit beyond current plan provisions in effect prior to August 28, 2007, that would, in aggregate with any other proposed plan provisions, increase the plan's actuarial accrued liability unless the plan's actuary determines that the funded ratio is at least 80% and will not be less than 75% after the adoption or implementation. Methods and assumptions used in valuing the proposed change may be modified if the nature is such that alternative assumptions are clearly warranted; and

(10) Requires all plans to develop a procurement action plan for utilization of minority and women money managers, brokers, and investment counselors and to report progress annually to the committee and the Governor's Minority Advocacy Commission.