

HCS SS SB 62 -- PUBLIC EMPLOYEE RETIREMENT SYSTEMS

SPONSOR: Hegeman

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Pensions by a vote of 10 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 11 to 0.

HIGHER EDUCATION RETIREMENT PLAN

This bill provides that the retirement plan for employees of certain higher education institutions shall contribute 5.5% of payroll to the plan. Currently, the rate is 1% of payroll less than the normal cost contribution rate established for employees of institutions other than outside employees, who shall contribute 2% of pay.

COUNTY EMPLOYEES' RETIREMENT FUND

This bill modifies the fees deposited in the County Employees' Retirement Fund (CERF) for funding the plan.

The recorder of deeds' fee on documents recorded or filed is increased from \$6 to \$9; a fee on delinquent and back dated taxes is increased from 7% to 9%; the penalty for failing to return personal property assessment lists is increased by \$5; and the amount the county collector and clerk receive per tract of land recorded as delinquent on taxes is increased from \$.10 to \$4 with such sum going to CERF.

MISSOURI STATE EMPLOYEE RETIREMENT SYSTEM AND MODOT & PATROL EMPLOYEES' RETIREMENT SYSTEM

This bill allows term vested members who are not yet eligible for a normal retirement benefit to make a one-time election to receive a lump sum payment equal to a percentage of the present value of such member's deferred annuity should a board choose to establish such a program. Members electing this option will forfeit all creditable service under the plan and if such member again becomes an employee they will be considered a new employee with no prior credited service.

PUBLIC SCHOOL EMPLOYEES RETIREMENT

This bill allows retired members of the Public School or Public Education Employees Retirement Systems who have elected a reduced retirement allowance to provide for survivor benefits for his or her spouse to have the retirement allowance increased to the single

life annuity amount, with no survivor benefits, if the member and his or her spouse become divorced on or after September 1, 2017 only if the dissolution decree provides for sole retention by the retired person of all rights in the retirement allowance.

Currently, a retired member has 90 days from the date of the remarriage to nominate a successor beneficiary; this bill changes the deadline to one year.

Any such increase in the retirement allowance will be effective upon the receipt of an application for the increase and a certified copy of the decree of dissolution that meets the requirements.

PROPOSERS: Supporters say that this bill is needed to protect the funding for the retirement system. With the creation of the MSEP 2011 plan this has caused the funding rates to drop annually in the CURP defined contribution plan for certain colleges. This bill will also allow teachers to voluntarily invest an additional 2% of their pay into the retirement plan.

Testifying for the bill were Senator Hegeman; COPLIE; and Missouri NEA.

OPPOSERS: There was no opposition voiced to the committee.