

HB 1673 -- PUBLIC PENSION PLANS

SPONSOR: Kendrick

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Pensions by a vote of 11 to 1. Voted "Do Pass" by the Rules-Administrative Oversight Committee by a vote of 13 to 0.

Currently, public retirement plans must provide plan participants, upon request, an annual pension benefit statement which includes certain information including the participant's contributions, total benefits accrued, and the date first eligible for a normal retirement benefit. Beginning on January 1, 2019, the bill adds that additional information regarding the plan's financial details must also be included in the pension statement and states that each plan shall provide the annual statement to active participants regardless of whether the statement is requested. A plan failing to provide an annual pension statement to active participants must submit in writing to the Joint Committee on Public Employee Retirement the reasons for not complying with the law.

Currently, a plan is deemed delinquent when the plan's funded ratio is below 60%, the plan has had a descending funded ratio for five years, and the political subdivision has failed to make the actuarially required contribution payment for five years. This bill repeals the descending funded ratio requirement and provides that to be considered delinquent a plan's funded ratio must fall below 70% and the political subdivision must miss the actuarially required contribution payment for three years, rather than five years.

This bill is similar to SB 980 (2016).

PROPONENTS: Supporters say that this bill will require additional information regarding the plan's financial details be included in the pension statement and states that each plan shall provide the annual statement to active participants regardless of whether the statement is requested which will help participants be better informed.

Testifying for the bill were Representative Kendrick and the City of Jefferson.

OPPONENTS: There was no opposition voiced to the committee.