

HCS HB 677 -- COUNTY EMPLOYEES' RETIREMENT

SPONSOR: Coleman (97)

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

The following is a summary of the House Committee Substitute for HB 677.

The bill modifies provisions relating to the reporting of errors made pertaining to determining a participants final average salary for calculating benefit amounts under the County Employees' Retirement System. Reporting requirements are outlined in the bill. Any person failing to report to the system compensation earned in a given year and instead reporting such compensation to the system as earned in the next year, along with any compensation actually earned in the next year, in order to make the total compensation of such next year appear higher, thereby inflating an employees' average final compensation will be subject to a fine or imprisonment.

This bill is similar to HB 2473 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill will help to keep members of the retirement system from gaming the system to make their retirement benefit larger than it should be. This will streamline the compensation reporting mechanism.

Testifying for the bill were Representative Coleman; and Arnie Dienoff.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say the retirement system relies on the certification of income that is received from the county collectors. The income comes from the person's W2. If a person's income changes from one year to the next by 10% or more the system is triggered to verify the difference with the corresponding clerk who either says the salary is correct or that there is a mistake and then it gets fixed.

Testifying on the bill was County Employees' Retirement Fund.

This bill is similar to HB 2473 (2020).

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.