

HCS HB 155 -- SHOW-ME MYRETIREMENT SAVINGS PLAN

SPONSOR: O'Donnell

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Pensions by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 155.

This bill creates the "Show-Me MyRetirement Savings Administrative Fund", which is a multiple-employer retirement savings plan treated as a single plan under Title I of The Employee Retirement Income Security Act of 1974 (ERISA) under 401(a), 401(k), and 413(c) of the Internal Revenue Code, in which multiple employers may voluntarily choose to participate regardless of whether any relationship exists between and among the employers other than their participation in the plan.

The "Show-Me MyRetirement Savings Administrative Fund" shall consist of:

- (1) Moneys appropriated by the General Assembly;
- (2) Moneys transferred from the federal government, other state agencies, or local governments;
- (3) Moneys from the payment of application, account, administrative, or other fees and the payment of other moneys due to the Show-Me MyRetirement Savings Board;
- (4) Any gifts, donations, or grants made to the state of Missouri for deposit in the Administrative Fund;
- (5) Moneys collected for the Administrative Fund from contributions to, or investment returns or assets of, the plan or other moneys collected by or for the plan or pursuant to arrangements established under the plan to the extent permitted under federal and Missouri law; and
- (6) Earnings on moneys in the Administrative Fund.

The bill establishes the "Show-Me MyRetirement Savings Board" in the office of the State Treasurer. The Board consists of nine members including two members appointed by the Governor with the advice and consent of the Senate, three members appointed by the Speaker with one Representative from the minority party, and three

members appointed by the President Pro Tem of the Senate with one Representative from the minority party, with the State Treasurer or his or her designee serving as chair. The Board shall design, develop and implement the "Show-ME MyRetirement Savings Plan" as outlined in the bill. The Board shall establish the Plan so that individuals can begin making contributions to the Plan no later than September 1, 2025. The Board has the discretion to structure staged or phased-in implementation of the Plan which shall be substantially completed on or before September 1, 2025.

An eligible employer, participating employer, or other employer joining the Plan shall not be liable for an employee's decision on which investments to choose, participants' or Board's investment decisions, the administration, investment, investment returns, or investment performance of the Plan, the Plan's design or the benefits paid to participants or any loss or adverse consequences incurred by any person solely and directly as a result of participating in the Plan.

Individual account information relating to accounts under the Plan and to individual participants shall be considered confidential. However, such information may be disclosed to administer the Plan or per the express written agreement of the individual providing the information, to disclosure of the information. Confidential information is considered a "closed record" as defined in Section 610.010, RSMo regardless as to whether such information has been disclosed as allowed by subsection 1 of Section 285.1035.

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 over 40% of Missouri workers have no access to retirement savings through their employers. In addition, the workers may not have a pension or retirement pension plan. Lumping businesses together to make it affordable to offer the savings plan through the State Treasurer's Office (STO) also achieves economies of scale and reduces expenses to the employer. The STO would administer the Plan. This bill seeks to provide for more Missourians to take personal responsibility for their future and to save for retirement. The bill presents a good plan for Missouri businesses, including small businesses, and provides savings opportunities to employees and retention advantages. An employee would have the option to do automatic increases into the plan. The bill offers a payroll deduction and allows for percentage increases and allows for an employer match. Other states such as California, Illinois and New Mexico currently have this plan.

Testifying in person for the bill were Representative O'Donnell; and AARP.

OPPONENTS: There was no opposition voiced to the committee.

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