

SS#2 SCS HB 147 -- RETIREMENT

SHERIFFS' RETIREMENT SYSTEM (Sections 57.280 to 57.967, 488.435 & the repeal of sections 57.955, 57.962, 483.088 & 488.024)

This bill provides that fees collected for service of process, which are not to exceed \$75,000, rather than \$50,000, in any year, will be held in a county fund to be expended at the sheriff's discretion for the furtherance of his or her duties. Any such funds in excess of \$75,000, rather than \$50,000, in any calendar year will be placed to the credit of the county's General Revenue Fund.

Currently, sheriffs receive a \$10 fee for service of any summons, writ, subpoena, or other court order and such moneys are deposited in the Deputy Sheriff Salary Supplementation Fund for the purpose to supplement the salaries and resulting employee benefits of county deputy sheriffs. This bill provides that the sheriff of any county of the first, second, or fourth classification or with a charter form of government will receive a \$20 fee for the service and sheriffs in third class counties will receive a \$15 fee for the service. The Missouri State Treasurer will deposit \$10 of the money received for any county of the first, second, or fourth classification in the Deputy Sheriff Salary Supplementation Fund, and \$10 of the moneys received in the Sheriffs' Retirement Fund. For moneys received for any county of the third classification, \$10 will be deposited in the Deputy Sheriff Salary Supplementation Fund and \$5 in the Sheriffs' Retirement Fund. Moneys collected from counties where the sheriff is not a member of the Sheriffs' Retirement System ("System") will be deposited in total in the Deputy Sheriff Salary Supplementation Fund.

Current law provides that the Board of the sheriffs' retirement System is required to proportion the benefits according to funds available if insufficient funds are generated to provide for the benefits that are payable. This bill repeals this provision.

This bill also clarifies provisions relating to the employer pick-up under the Internal Revenue Code, which provides that a governmental entity can designate the contributions as employee contributions, but the employer pays the employee contribution to the system from the employee's salary.

This bill authorizes the Department of Corrections to subtract and pay to the State Treasurer, from any per diem cost of incarceration that is received by a county with a sheriff that participates in the System, or from any per diem cost for jail reimbursement that is received by the county, an amount of \$1.75 per day per prisoner. The State Treasurer will deposit the moneys in the Sheriffs'

Retirement Fund. If the System is funded at a 90% actuarially sound level and at a level above the actuarial needs of the System, then only \$1 per day, per prisoner, of the reimbursement will be deducted and deposited in the Sheriffs' Retirement Fund. The System will annually provide a copy of its actuarial report to the Department. This provision will go into effect on January 1, 2026.

Finally, this bill repeals the provisions related to the assessment of a \$3 fee in criminal and civil cases that is payable to the System.

These provisions are similar to SCS SB 141 (2025) and in HCS HB 558 (2025).

MISSOURI RETIREMENT SYSTEMS (Sections 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, 70.748 and 105.688)

This bill repeals the provision prohibiting membership in LAGERS for employees where continuous employment to the time of retirement eligibility will leave the employee with less than the minimum required number of years of credited service.

The bill provides that the cost of living adjustment for LAGERS must be a measure of the Consumer Price Index as determined by the U.S. Department of Labor and adopted by the Board of LAGERS, instead of the Consumer Price Index for Urban Wage Earners and Clerical Workers. In addition, the bill repeals references to obsolete statutory provisions.

If a member's membership terminates, any accumulated contributions unclaimed by the member within 10 years, instead of the current period of three years, must be transferred to the investment income-expense fund.

The bill provides that the Board of LAGERS can deliberate or make decisions on investments or other financial matters in a closed meeting if the disclosure of such deliberations or decisions would jeopardize the ability to implement a decision or to achieve investment objectives.

In addition, this bill repeals the provision providing that the investment counselor of the Board be registered as an investment advisor with the U.S. Securities and Exchange Commission.

Further, this bill repeals the limitation that no more than one-tenth of the funds and moneys of the system be invested in real estate funds and real estate investment trusts.

The Board can establish and maintain a local government employee retirement systems of Missouri investment fund account in which investments of LAGERS can be placed and be available for investment purposes. For purposes of investing funds from the retirement system, the funds can be combined with funds of any retirement plan administered by LAGERS and any retirement plan established for providing benefits to employees of LAGERS, but the funds must be accounted for separately.

These provisions are similar to SB 514 (2025).

KANSAS CITY POLICE AGE LIMIT (Sections 84.540 and 84.570)

Currently, the Kansas City Board of Police Commissioners can authorize and provide for the organization of a police reserve force that consists of qualifying residents of the city, upon the recommendation of the Chief of Police. This bill provides that in the interest of efficiency and public safety, a person cannot serve as a member of the police reserve force following the last day of the month in which the person turns 65 years of age.

Further, in the interest of efficiency and public safety, law enforcement officers defined under federal law, will be separated from service on the last day of the month in which the employee becomes 65 years of age or reaches 35 years of creditable service under the Kansas City Police Retirement System, whichever occurs later.

POLICE PENSION RETIREMENT SYSTEM OF ST. LOUIS (Section 86.200)

This bill modifies the current definition of "earnable compensation" for the St. Louis Police Retirement System. The compensation must not include any funds received by a member through a judgment or settlement of a legal action if the funds are intended to retroactively compensate for a salary differential between the member's actual rank and the rank the member claims he or she should have received.

THE FIREFIGHTERS' RETIREMENT SYSTEM OF ST. LOUIS CITY (Sections 87.140, 87.145, 87.155, 87.260, and 87.350)

This bill specifies that the Board of Trustees of the Firefighter's Retirement System of St. Louis will not be prevented from simultaneously acting as the trustees of any other pension plan that provides retirement, disability, and death benefits for firefighters employed by St. Louis City and the firefighters' covered dependents.

The Board of Trustees can establish rules and regulations for the administration of the funds and for the transaction of such other pension plan's business. The Board of Aldermen can adopt ordinances to govern the pension of firefighters and their covered dependents in any other pension plan that is simultaneously administered by the Board of Trustees of the Retirement System.

The Board of Trustees must maintain separate records of all proceedings of such other pension plan.

Furthermore, this bill specifies that the Board of Trustees will have the authority and discretion to invest and reinvest funds of the other pension plan in property of any kind, real or personal. The Board of Trustees can choose to invest the funds of the Firefighter's Retirement System of St. Louis and the funds of the other pension plan in the same investments if the amounts invested and the gains, profits, or losses are accounted for separately.

No benefits due from the other pension plan will be paid from the funds of the Firefighter's Retirement System.

Additionally, this bill provides that no expenses incurred by the Board of Trustees in the administration of any other pension plan or in the investment of any other pension plan's funds will be paid by the funds of the Firefighter's Retirement System.

PROXY VOTING AND FIDUCIARY INVESTMENT DUTIES FOR CERTAIN PUBLIC EMPLOYEE RETIREMENT AND PENSION SYSTEMS (Sections 105.688 and 105.692)

Currently, an investment fiduciary has to discharge his or her duties relating to the investment, reinvestment, and management of the assets of the system for the participants, based upon certain specified standards. This bill includes additional standards and provides that the investment fiduciary:

- (1) Cannot be prohibited from closing records, as specified in the bill.
- (2) Cannot consider environmental, social, or governance characteristics in a manner that overrides his or her fiduciary duties.
- (3) Cannot be subject to legislative, regulatory, or other mandates to invest with environmentally, socially, or other noneconomically motivated influence, unless they are consistent with the fiduciary's responsibilities under the system's governing statutes with respect to investments.

(4) Cannot subject to any legislative, regulatory, or other mandates for divestment from any indirect holdings in actively or passively managed investment funds or in private assets.

The bill provides that all shares of common stock must be voted solely to further the economic interest of the plan participants and prohibits voting to further noneconomic environmental, social, political, ideological, or other goals. The bill also specifies the methods for voting by proxy.

These provisions are the same as HB 657 (2025)

DIVESTMENT OF CERTAIN INVESTMENTS OF PUBLIC EMPLOYEE RETIREMENT SYSTEMS (Section 105.693)

After August 28, 2025, the public retirement and benefit systems must not knowingly invest in a restricted entity or a restricted investment product, as these terms are defined in the bill, to include certain Chinese persons and investments and those listed on the Specially Designated Nationals and Blocked Persons List published by the Office of Foreign Assets Control of the U.S. Department of the Treasury, and must divest any investment that the system has on behalf of a fund, defined in the bill.

Before December 1, 2025, and annually on or before December first of each subsequent year, the Board is required to make a good faith effort to identify all restricted entities and restricted investment products in which the system holds an investment. The bill sets forth the time period and the standards relating to the divestments in a restricted entity or a restricted investment product that the Board determines needs to be removed from the fund.

On or before December 31, 2025, and annually on or before December 31st of each subsequent year, the Board is required to submit a report to the General Assembly including the information that is specified in the bill.

The bill grants immunity from civil liability to the State and any political subdivision of the State; its officers, agents, and employees; and the board and employees of a system, for any act or omission related to the removal of an asset from a fund and indemnifies the system for all losses, costs, and expenses, as detailed in the bill. The divestment requirements included in the bill do not apply to private market funds or indirect holdings in actively managed investment funds, as indicated in the bill.

This provision is similar to SB 529 (2025) and HCS HB 977 (2025).

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS - BOARD OF TRUSTEES (Section 169.450)

Currently, there are 11 members on the Board of Trustees of the Public School Retirement System of the City of St. Louis. This bill increases the Board membership by two members who are appointed for terms of four years by the Missouri Public Charter School Association and who have experience or qualifications relevant to public charter schools and Public School Retirement System of the City of St. Louis. At least one member must be a teacher.

RETIREMENT BENEFITS FOR CERTAIN TEACHER RETIREMENT SYSTEMS (Section 169.490)

This bill removes the provision for the actuary for the retirement system to annually calculate each employer's contribution as an amount equal to a certain percentage of the total compensation of all members employed by that employer. This provision expired on December 31, 2017.

Currently, for calendar years after 2018, the percentage rate of employer contribution payable by the St. Louis Public School District that has established a retirement system for providing retirement benefits to the employees, decreases to one-half of one percent annually until calendar year 2032, when the rate of contribution payable equals nine percent of the total compensation of all members employed by that employer. For calendar years after 2032, the rate of contribution payable by each employer equals nine percent.

Under this bill, the percentage rate of contribution decreases one-half of one percent annually until calendar year 2025 when the rate of contribution payable by each employer equals 12.5% of the total compensation of all members employed by that employer. For calendar year 2026 and each subsequent calendar year, the rate of contribution payable by each employer increases from 9% to 14% of the total compensation of all members employed by that employer.

This provision is similar to HB 1504 (2025) & HB 404 (2025).