

HB 329 -- COST OF LIVING ADJUSTMENT FOR PSRS AND PEERS

SPONSOR: Haley

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Pensions by a vote of 15 to 0. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 8 to 0.

Currently, retired members of the Public School Retirement System ("PSRS") and the Public Education Employee Retirement System ("PEERS") may receive yearly cost of living adjustments on monthly retirement allowances, but the total of the cost of living adjustments must not exceed 80% of a member's original monthly retirement allowance.

Under the provisions of this bill, the 80% limitation will be subject to annual increases approved by the Board of Trustees beginning December 31, 2025, and every December 31st thereafter, except the increases to the limitation must not exceed 1% per year. Additionally, if the investments of the system earn 2% or greater returns than the investment return rate adopted by the Board, the limitation on the total cost of living adjustments must be increased by 1%. However, the cost of living adjustments must not exceed 100% of a member's original monthly retirement allowance.

This bill is the same as SB 1421 (2024).

PROPONENTS: Supporters say that this bill allows the frailest and oldest teachers the dignity of continuing to receive a cost of living adjustment (COLA) to retirement benefits without creating a strain upon or affecting the health of the system. With the guardrails in place, the gradual adjustment to the COLA cap will protect retired teachers and allow the benefits to keep pace with inflation.

Testifying in person for the bill were Representative Haley; Joshua B. McGowin; Linda E. Greeson; Missouri Retired Teachers Association; Arnie Dienoff.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill explained how the COLA increases would work and the actuarial cost estimates and valuation reports for the systems, which are further detailed in the fiscal note.

Testifying in person on the bill was PSRS/PEERS.

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.