

HCS HBs 735 & 686 -- PUBLIC EMPLOYEE RETIREMENT BENEFITS

SPONSOR: Deaton

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Pensions by a vote of 14 to 0. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 8 to 0.

The following is a summary of the House Committee Substitute for HBs 735 & 686.

This bill authorizes a methodology for the board of trustees of the Missouri State Employees' Retirement System to recover any over payments made to a beneficiary in error, either in a single sum or in installment repayments. Under current law, the board's recovery of the over payments made to a beneficiary is permissive.

The bill reinstates the time period for a member to make an election to receive a lump sum payment of the member's deferred annuity in lieu of retirement annuity benefits, under the closed plan or year 2000 plan, to on or after January 1, 2026. Under current law, the election can be made by the member beginning on a date established by the board under such plan, but not after May 31, 2018.

The bill prohibits the contribution or expenditure of system funds by any public pension system to advocate, support, or oppose the passage or defeat of any ballot measure or the nomination or election of any candidate for public office. In addition, the system funds cannot be used to pay any debts or obligations of any committee supporting or opposing ballot measures or candidates. The bill includes a definition for the term "system".

This bill is similar to HB 686 (2025)

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

PROPOSERS: Supporters say that the bill allows for errors to be corrected, an election to be made to receive a lump sum payment, and because pension funds are to be used for the exclusive benefit of the members, the funds should not be used for political purposes.

Testifying in person for the bill was Representative Deaton.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say the bill brings the provisions in conformity with the federal law. MOSERS adopted the buyout provision under prior law and the individuals impacted are former employees who are vested but not eligible for retirement. The over payments to the beneficiaries does not happen often and are caused by programming errors.

Testifying in person on the bill were Mosers; Mike Moorefield, PSRS/PEERS; Scott Simon, Modot and Patrol Employees.

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.