

HCS SCS SB 1153, 1154, 1155 & 1156 -- PUBLIC EMPLOYEE RETIREMENT SYSTEMS

SPONSOR: Crowell (Viebrock)

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Retirement by a vote of 7 to 0.

This substitute changes the laws regarding public employee retirement systems.

SHERIFFS' RETIREMENT SYSTEM

Currently, the beneficiary of an active member of the Sheriffs' Retirement System receives a death benefit of \$10,000 or, if the member is killed in the performance of his or her duty, the beneficiary receives \$20,000. The substitute increases the death benefit of any active member who dies to \$20,000.

MISSOURI LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

The substitute:

(1) Allows a retiree to authorize the Missouri Local Government Employees' Retirement System (LAGERS) to deduct premiums for health insurance or long-term care insurance from his or her retirement allowance; and

(2) Creates a funding mechanism for survivor benefits when a member dies as the result of a duty-related injury or illness.

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI AND PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM

The substitute:

(1) Allows the board of the Public School Retirement System of Missouri and Public Education Employee Retirement System to maintain an investment fund account to combine moneys from both systems for investment purposes only. The funds of each system will be accounted for separately and for all other reporting purposes;

(2) Allows a member when purchasing prior service credit who has not paid the entire cost of the service by September 30 to have the purchase price recalculated as of October 1 of the same year instead of charging interest. Currently, if a member has not paid for the service by June 30, the purchase price will be recalculated as of July 1;

(3) Allows the retirement systems to prohibit or impose requirements for purchasing service if necessary to comply with federal law;

(4) Specifies that benefits will be paid in the order of the surviving spouse, surviving children equally, surviving parents equally, or to the estate of the last person receiving benefits if a member chooses a guaranteed payment option and no designated beneficiary is living upon the death of the member; and

(5) Prohibits any additional nonprofit educational association or organization from becoming a member of the retirement systems beginning July 1, 2009;

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill will keep the retirement system within the scope of current federal Internal Revenue Service guidelines and allowing the board of the retirement systems to combine moneys from both systems for investment purposes will save money.

Testifying for the bill were Senator Crowell; Missouri Local Government Employees Retirement System; Public School Retirement System of Missouri; and Public Education Employee Retirement System of Missouri.

OPPOSERS: There was no opposition voiced to the committee.