

HCS HB 265 -- PUBLIC SCHOOL RETIREMENT SYSTEMS (Franz)

COMMITTEE OF ORIGIN: Committee on Retirement

This substitute changes the laws regarding the Public School Retirement System of Missouri and the Public Employee Retirement System of Missouri. In its main provisions, the substitute:

(1) Allows the board of the retirement systems to establish and 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, upon the death of a member, 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;

(5) Prohibits the employees of any additional nonprofit educational association or organization from becoming a member of the retirement systems beginning July 1, 2010; and

(6) Allows the retirement systems, to the extent determined appropriate by the board of trustees, to indemnify and protect any trustee or employee of the systems against liability claims. No employee or trustee will be entitled to indemnification for his or her gross negligence or willful misconduct or unless written notice is given to the board within 15 days of receiving a service of process.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.