

HCS SCS SB 411 -- PUBLIC EMPLOYEE RETIREMENT SYSTEMS

(Vetoed by the Governor)

This bill changes the laws regarding certain public employee retirement systems.

MISSOURI DEVELOPMENT FINANCE BOARD EMPLOYEES

The bill allows an employee of the Missouri Development Finance Board who is hired on or after August 28, 2009, and is paid a salary or wage by the board in a position normally requiring the performance of duties of not less than 1,040 hours per year to be a state employee and to be eligible for retirement benefits in the Year 2000 Plan of the Missouri State Employees' Retirement System (MOSERS).

An employee of the board prior to August 28, 2009, may elect no later than December 31, 2009, to purchase prior credited service and transfer his or her individual account balance under the board-sponsored retirement plan to MOSERS up to the amount necessary to fund the benefit attributable to the credited service. The board must pay any additional contributions necessary for purchasing the service.

PUBLIC SCHOOL RETIREMENT SYSTEMS

The bill changes the laws regarding the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri. In its main provisions, the bill:

(1) Allows the boards 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 must 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 a purchase or impose additional requirements for making a purchase if necessary to comply with federal law;

(4) Specifies that, upon the death of a member who has chosen a guaranteed payment option and no designated beneficiary is living

or the member's financial institution cannot accept the payment, any remaining 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;

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

(6) Allows the retirement systems, to the extent determined appropriate by the boards of trustees, to indemnify and protect any trustee or employee of the systems against liability claims arising out of his or her official capacity. 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 appropriate board within 15 days of receiving a service of process of a proceeding;

(7) Requires all suits or proceedings directly or indirectly brought against the boards, members or employees of the boards, or the systems themselves to be brought in Cole County; and

(8) Allows funds belonging to the retirement systems and certain benefits to be subject to execution, garnishment, attachment, or any other process in a proceeding instituted for spousal maintenance or child support.